



Daily Report

Latin America

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4 March 1988

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Cuba

Castro Meets With Swedish Housing Minister *FL031833 Havana Radio Rebelde Network in Spanish* 1800 GMT 3 Mar 88

[Text] Fidel Castro Ruz, president of the Cuban Councils of State and Ministers, has met with Mr Hans Gustafsson, minister of housing and physical planning of Sweden, and his delegation. They exchanged views on the development of housing construction in the two countries, examined the housing construction systems most used in Sweden and Cuba, and discussed the restoration of the Havana historical zone. They also talked about Cuba's experience in the development of health services, among other topics of interest.

R. Castro Presides Over Meeting in Guantanamo *FL020315 Havana Radio Rebelde Network in Spanish* 0000 GMT 2 Mar 88

[Text] Army General Raul Castro, second secretary of the PCC Central Committee and FAR minister, has presided over a meeting which is analyzing the progress of the main work objectives aimed at accelerating the development of Guantanamo Province. Various ministers and leaders of national organizations attended the meeting. They assessed the preliminary results of the use of hydroelectric, solar, and residual power, as well as the construction plans for small power plants scheduled for this year and the electrification of mountain areas.

Other matters discussed were the proposals for the creation of centers for scientific research and higher education centers in the mountain range of El Salvador municipality. Several details related to road projects until 1990, including the construction of the San Luis-Guantanamo-Dos Caminos highway, were discussed.

The meeting's agenda also included the current situation and outlook of transportation through coastal traffic, considerations of the Los Maceos plan dealing with the development of the construction materials industry, the state of the investment under the (?General 6) enterprise, and health projects.

R. Castro Marks Eastern Fronts Anniversary *FL030330 Havana Television Service in Spanish* 0100 GMT 3 Mar 88

[Text] Army General Raul Castro, second secretary of the PCC Central Committee and FAR minister, has presided over a ceremony during which a flower wreath was placed at the foot of the national monument of our national hero, Jose Marti, at Revolution Square. The ceremony marked the 30th anniversary of the founding of the Frank Pais and Mario Munoz Monroig Second and Third Eastern Front, respectively. The wreath was placed by Commander of the Revolution Juan Almeida Bosque, Jose Ramon Machado Ventura, and Division General Abelardo Colome Ibarra, PCC Politburo members.

Army Gen Raul Castro Ruz, Commander of the Revolution Juan Almeida Bosque, and Division Gen Abelardo Colome Ibarra decorated a group of former members of the second and third fronts with the Camilo Cienfuegos Order and the Calixto Garcia Medal in recognition of the attitude they maintained throughout these years in defense of the interests of the revolution. The years of the guerrilla struggle, what has been done since the revolutionary triumph, and new commitments for the future were noted during the ceremony.

[Begin recording] [Speaker] Thank you for the trust the revolution had in us, for the opportunity to be its soldiers, for the unforgettable memory that we now hold, for the symbol that today we proudly carry on our chest. Today we are here, in this historical place, before the teacher and you to say that we are the same soldiers of 30 years ago, ready to give it all for the revolution that made us and teaches and encourages us. Thank you.

[Division General Rogelio Acevedo Gonzales] And to you, my dear comrades, our sincere congratulations on behalf of our PCC Central Committee, our commander in chief, and the FAR minister. We are convinced that from the posts you hold in production, defense, or other areas, you will as always be faithful, disciplined, humble, and unyielding soldiers of the revolution, the party, and Fidel. Eternal glory to the fallen heroes! [crowd says: "Glory!"] Long live the founders of the Second and Third Eastern Front! [crowd says: "Viva!"] Thank you. [end recording]

Cuban-American Peace, Development Seminar Ends *FL030345 Havana Television Service in Spanish* 0100 GMT 3 Mar 88

[Text] The first Cuban-American seminar for peace, disarmament, and development has ended in this capital with the participation of several well-known people, organization representatives, and U.S. sectors.

During the meeting, lectures were discussed regarding U.S. global and regional military policy, its relations with Cuba during the second term of the Reagan administration, its foreign relations, banking, and foreign debt policy, as well as the arms buildup and its importance in the development of flexible technology.

Within this framework, reflections were made on the Republican administration.

Dominican Republic

Protests in Santo Domingo, Santiago Continue *FL031157 Bonaire Trans World Radio in English* 1130 GMT 3 Mar 88

[Text] A government pledge that raised wages by 33 percent has failed to end 3 weeks of paralyzing protests in the Dominican Republic. Workers burned tires and trash at barricades in the working-class sections of Santo

Domingo yesterday to demand price cuts to accompany the wage hikes. Several people have died and hundreds have been arrested since the demonstrations began.

Protesters throwing homemade bombs paralyzed the city of Santiago yesterday as the youths burned tires in the streets and battled police with rocks and homemade bombs in the working-class section of the second-largest city.

Governor Repudiates Strike

*FL031723 Santo Domingo Radio Popular in Spanish
0930 GMT 3 Mar 88*

[Text] The provincial governor of San Cristobal said that the authorities are maintaining control of the situation in the midst of the (?general) strike called for by dozens of people's organizations in the area.

Dr (Maria Hungrin Castillo de Guerrero) said that (?some people burned) tires and threw rocks but that no looting has occurred. She said public offices have continued business as usual.

So-called antisocial groups have tried to break windows in some factories in San Cristobal.

[Begin (Guerrero) recording] We completely repudiate the actions, especially since we know that the people trust [words indistinct] and do not agree with these vandalic acts. [Passage indistinct] We think that all of the people in San Cristobal repudiate these acts. [end recording] [passage indistinct]

Politicians on Strike Reasons

*FL031950 Santo Domingo Radio Popular in Spanish
0930 GMT 3 Mar 88*

["The Other Bell" feature]

[Text] What is behind the people's protests that are shaking the length and width of the country? Are the motivations economic, political, or social?

That is the topic to be debated today on "The Other Bell" by (Rafael Chalujut Mejilla), leader of the Communist Workers Party, and Lic Pelegrin Castillo, leader of the National Progressive Forces.

First we will listen to (Chalujut Mejilla):

[Begin recording] Yes, that is an argument the government has been using. They have made the accusation that the current movements are directed at or correspond to conspiratorial plans. The reason for this argument is to lay the basis for repressing the movements through violence in order to take away the moral strength of the movements which are based on such elemental rights as the right to food, the right to eat, and the right to not be exploited as is being done so mercilessly. We have affirmed time and again through the mass media that these are essentially people's movements.

When a conspiracy is in progress, political slogans are behind these movements. If the government thinks these are movements with a conspiratorial origin or of a conspiratorial nature, then why don't they bring the conspirators before the judicial system, since the government has at its disposal an apparatus, a mechanism of repression, vigilance, and espionage?

This is simply a false argument that is brought against just movements. If the government is trying to get the progressive forces to withdraw their support and incentives for those movements, then they are mistaken once again.

In reference to the Communist Workers Party, it is worth repeating our support for the people's struggle, our solidarity with the demands of the people, and our rejection of any type of accusation that would be brought against them and those who openly support them without any hidden intentions. [end recording]

And on the other side, we will listen to Lic Pelegrin Castillo:

[Begin recording] We have maintained that there are political sectors interested in capitalizing on this situation for their own benefit. There are also powerful economic sectors from the large financial capital area that are trying to add fuel to the fire, and we have pointed this out in a responsible manner.

We believe the government has to be very careful in trying to discern the legitimate, orderly protests from those that are disorderly and violent. These must be distinguished.

A well-organized, peaceful strike that makes real demands is one thing. The events that have occurred in certain parts of the country are something else. For example, the attack on the home of the bishop of Bani was obviously an act aimed at creating a climate of insecurity and fear among the people of Bani and throughout the country in general. This has precedents in similar incidents that occurred in (Epuk).

Nevertheless, we believe the government has been a little cool in its approach to the crisis. [end recording]

You have heard the other side. Today's debate was on the economic, political, and social motivations that are hiding behind the strikes that have been shaking the entire country for several weeks.

Grenada

Correction to Cabinet Reshuffle

The following correction to the item headlined "Cabinet Reshuffled; Jones Relieved of Post," published in the 2 March Latin America DAILY REPORT on page 6, is supplied from CANA at 2110 GMT on 2 March:

Column two, paragraph eight, line four reads: ...political organisation, the National Democratic Congress (NDC), under the leadership... (correcting name of organization)

Costa Rica

Arias Offers Help for Sandinist-Contra Talks

PA040235 San Jose Radio Reloj in Spanish
0110 GMT 4 Mar 88

[Text] President Oscar Arias believes it is very advisable that the Nicaraguan Resistance accept the Sandinist regime's proposal for a direct dialogue in Sapoa. In an unscheduled news conference, the president said the objective of those who originally believed in the need for a dialogue was that it be directly held between the contras and the Sandinist government at the highest level. Arias said it was because the Daniel Ortega government had rejected that proposal that Costa Rica suggested the mediation of Cardinal Miguel Obando y Bravo.

President Arias said everything that has been achieved so far with regard to the dialogue is due to Cardinal Obando y Bravo. The president said he had spoken over the telephone with the Nicaraguan cardinal to tell him that he has played a very important role as mediator and that the world and especially the Nicaraguan people must be very grateful to him. Arias also said that [words indistinct] the role of the church is very important if we want to achieve peace in Nicaragua some day.

Reiterating that the contras should accept the Sandinist regime's proposal to meet in Sapoa, President Arias proposed and offered a witness in that direct dialogue. The president said that what he described as a judge, a referee, or witness should be present and he offered Farid Ayales, Costa Rican ambassador to Nicaragua, or Deputy Foreign Minister Carlos Rivera Bianchini. According to the president, the idea is that the presence of a witness will prevent the two sides from leaving the meeting with different versions of what took place. President Arias also proposed that the Nicaraguan Resistance leaders stay in Costa Rican territory to be better able to attend the talks in Sapoa.

The president said that [words indistinct] face-to-face talks between the contras and the Managua government to negotiate the possibility of a cease-fire. Arias also said he spoke over the telephone with Daniel Ortega to tell him [words indistinct] and he said he wants the Resistance leaders in Miami to learn through the news media about his proposals to facilitate the direct dialogue. President Arias urged former Foreign Minister Gonzalo Facio to attend the direct dialogue between the Nicaraguan Resistance and the Sandinist regime. The president said that because of Facio's experience, he should not withdraw from the talks. Arias added that both Facio and former Dominican Foreign Minister Ramon Emilio Jimenez should continue helping to achieve a cease-fire. Facio has said he will not attend the Sapoa meeting as adviser to the Nicaraguan Resistance after Cardinal Miguel Obando y Bravo's withdrawal because the Sandinists only speak of military topics and do not open the way for political talks.

Arias said a direct dialogue between the rebels and the Sandinists is taking place late but it is better late than never. He said efforts have been made for a direct dialogue and that is why it is necessary that individuals with the experience of former Foreign Ministers Gonzalo Facio and Ramon Emilio Jimenez be present at such a dialogue.

Envoy to Panama Recalled for 'Consultations'

PA032241 Hamburg DPA in Spanish 1951 GMT 3 Mar 87

[Text] San Jose, 3 Mar (DPA)—The Costa Rican Foreign Ministry today recalled its ambassador to Panama, Miguel Yamuni, for consultations. Acting Foreign Minister Carlos Rivera Bianchini has said Costa Rica made this decision because it is necessary that the diplomat report on the situation in Panama.

According to Rivera Bianchini, "it is important that Ambassador Yamuni be in Costa Rica to make some specific decisions and decide on what actions to take." The Costa Rican ambassador will be in San Jose for several days. He will not return to Panama City until his government obtains a clear picture of what is happening in Panama.

"This does not mean that Costa Rica has changed its attitude regarding bilateral relations with Panama, but we do believe that Miguel should remain in our country. It is very possible that we will also call home our charge d'affaires and our embassy adviser in that country," Rivera Bianchini said.

El Salvador

Foreign Minister Views Peace Process

PM040850 Madrid YA in Spanish 27 Feb 88 p 6

[Interview with Foreign Minister Ricardo Acevedo Peralta by Enrique Serbeto in Madrid; date not given]

[Excerpt] Madrid—[Introductory passage omitted] [Serbeto] When it comes to analyzing the status of the peace process in Central America, it seems that almost all countries eventually accuse Nicaragua of having failed to honor its pledges, whereas the Sandinistas claim the contrary.

[Acevedo] As Cardinal Obando has said, Nicaragua is still a repressive regime that refuses to negotiate its power, that will not open up to society for fear of jeopardizing its power, and that has not granted an amnesty enabling oppositionists to become properly involved in the democratization process. These things still constitute obstacles. Indeed Nicaragua has no proper reasons for not fulfilling its commitments, since the contras no longer receive military assistance. In this connection we have heard an appeal for no aid to the rebels active in the region, though as far as Nicaragua is concerned, it has not suspended its aid to the Farabundo Marti National Liberation front (FMLN).

[Sarbeto] Managua has announced, however, that it intends to suspend these relations with the Salvadoran guerrillas.

[Acevedo] Ortega did indeed say 90 days after the Esquipulas agreements were signed that although in his opinion the aid is not great, he would do his utmost to end it. This was all that was secured. When the ratification came on 16 January in San Jose, when the presidents said that there must be immediate and public implementation, we received no response.

[Sarbeto] In view of this situation there is cause to wonder what alternatives remain apart from Esquipulas.

[Acevedo] It is very difficult to know. Following the Contadora experiment, from which the Esquipulas plan emerged, there is now a possibility of the creation of a Central American parliament, which could be an autonomous institution enabling the dialogue to continue, though it cannot take the place of meetings between presidents or foreign ministers. At worst, even if the political will to continue the negotiation process is lacking, we must not lapse into the "Contadorization" of the process. The advantage with Esquipulas is that it proposes specific actions, and these actions are being carried out. If this trend ceases a really very dangerous situation for the region will be created. We are now in a period of moratorium with respect to the timetable set by Esquipulas—a helpful but not eternal moratorium. For our part, our viewpoint is clear. There seems to be a hairsplitting debate over what comes first, the chicken or the egg, whether the accords should first be verified or implemented. President Duarte told Foreign Minister D'Escoto quite clearly: "First implement, then we will verify."

[Sarbeto] Does this apply to El Salvador's internal situation as well?

[Acevedo] We have held approximately 20 meetings with the FMLN guerrillas, seeking to establish plans that will enable the rebels to be integrated into political life, which in El Salvador is fully democratic. I do not deny that there are problems in El Salvador. We have very serious economic and unemployment problems, but in the political field there is a system that guarantees every kind of freedom.

[Sarbeto] Can it guarantee, for instance, the life of all political compromised people?

[Acevedo] Of course. Kidnappings or murders may be carried out by extreme right-wing or left-wing paramilitary groups but this is something that the government cannot control because the current conflict generates a violent atmosphere of which we are all the victims.

[Sarbeto] According to opinion polls major advances are being made by the extreme right-wing group ARENA [Nationalist Republican Alliance] and its leader Roberto D'Aubuisson. Could the situation change if they achieve a victory in the next general election?

[Acevedo] That probably would happen if ARENA won a majority, and we could return to an extremely conservative system in this country. As you can see, we are willing to relinquish power to whoever wins the elections, but what we ask of ARENA is that it respect democracy and the advances that have been made over the past 3 years. Of course we are willing to continue struggling for democracy and human rights observance from the opposition. This is not what happens in Nicaragua.

[Sarbeto] The Nicaraguan president recently asked the Spanish Government to take part in the verification procedures for the Esquipulas process. What is the Salvadoran Government's opinion of the possibility of Spain's participation?

[Acevedo] Spain has always been concerned that there be peace in Central America, which is why we greatly appreciate the gestures it has made in this direction. However, Central America as a whole has now turned its eyes toward Spain—a democratic country very active internationally and that has very close ties with us. Central America also needs an interlocutor that can convey our opinions to other countries that do not share our same characteristics. In our opinion Spain's accession to the EC was an extremely important event because we believe it can act as our best spokesman. Its involvement in the democratization processes is very important. We want the Spanish Government to have a clear picture of all the countries because there we have the Nicaraguan president saying that he has done this or that and we want it to have a sufficiently broad outlook to solve the puzzle for itself [sentence as published]. President Duarte has already said here in Madrid that we too have proposed Spain's involvement, but we must be clear about this: The will come when the process must advance on its own and the objective conditions must show that the plan has been implemented.

FMLN's Villalobos Views Panama Situation
PA031658 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0000 GMT 1 Mar 88

[Interview with Commander Joaquin Villalobos, member of the FMLN General Command, by unidentified reporter; place and date not given—recorded]

[Text] [Reporter] In view of the developments in Panama during the last few hours, we have contacted comrade Commander Joaquin Villalobos to interview him with regard to this topic of great current interest.

Comrade Joaquin Villalobos, during the last few weeks we have seen how the Reagan administration has mobilized a number of resources and exerted economic and

political pressures to destabilize Panama with the argument that there is no democracy in Panama. It has even accused General Noriega of drug trafficking. What interests are at play in the current crisis in Panama?

[Villalobos] The U.S. Administration has raised such topics as democracy and drug trafficking as arguments to pursue its policy of destabilizing the Panamanian Government. Actually, these are merely excuses to pursue other more important and profound goals... [3-second break in reception] this policy of destabilizing the Panamanian Government. As for the reference to drug trafficking, the contras themselves are involved in it, but the Reagan administration is not in the least worried about it. The Honduran and Salvadoran Governments are implicated in it, but this is not a source of concern either.

The United States is the biggest market for drugs, and is actually the biggest problem in this regard. Yet, in the particular case of drugs, it keeps exerting pressure not only on the Panamanian Government but on other Latin American governments. It fights the sick more than the sickness. The real sickness lies in the powerful U.S. drug market.

Regarding the problem of the absence of democracy, there are the cases of Chile and of Stroessner in Paraguay, but this does not cause the same degree of concern. Actually, what is at play in Panama is a struggle against the Torrijist line. This involves a geographical strategy that the United States feels it cannot relinquish. This involves a political strategy. The United States wants a sure grip on the canal, and it wants to break the Torrijos-Carter Treaties. The canal is the Panamanian people's most important economic asset. [Words indistinct] a submissive government in Panama that will deprive the Panamanian people of what is precisely its most important asset at this moment.

However, there is an element that is of particular importance—even to revolutionary movements. The United States, and, more specifically, the current administration, feel that Panama may be the weakest link after Grenada, and the United States is trying to change the balance [of power] in Central America through this destabilization policy. It wants to install a submissive government in Panama to thus force the Nicaraguan people and government to make concessions. It wants to destroy Contadora; to eliminate the Esquipulas II agreement; and, through this, to try to change the course of the Salvadoran revolutionary process.

Clear evidence that the drug trafficking, the money laundering, and the democratization problems are of no interest to them and are not behind this matter is the fact that the U.S. State Department itself offered to quash the indictments if Gen Noriega resigned. Evidently, what

they seek is a change of government. They know they have at the bottom of this—and lurking—the Panamanian Christian Democratic Party, which is the ultrarightist sector in Panama.

[Reporter] What may have been behind Napoleon Duarte's statement supporting the U.S. maneuvers and his allegation that a coup d'etat had taken place in Panama?

[Villalobos] The Salvadoran Government and specifically Duarte are the biggest puppets on the continent. Obviously, their reaction was consistent with the policy of their masters. The reaction should not be a surprise. What is at play in Panama is not the existence of a military government, or whether there was a coup d'etat; in Panama, there is a confrontation between two policies: one defends Panamanian sovereignty and the other defends servility. Obviously, Central American traitors like Duarte will defend the policy of servility. This policy wants to snatch the canal away from Panamanians, change the balance in Central America, and oppose Esquipulas II, the Contadora Group, and all pro-Latin American policies.

[Reporter] The State Department said that U.S. troops in Panama have not been placed on alert and that the United States has nothing to do with the current Panamanian crisis. What kind of credibility can we give to statements by U.S. officials?

[Villalobos] I believe that at moments like this we cannot trust the statements made by members of the current U.S. Administration. We must recall the case of Grenada. At that time, when the United States was sending troops and warships to Grenada, it said those troops and ships were heading somewhere else. Furthermore, the United States made those statements without anyone requesting them. The U.S. Administration could deal with something much more dangerous than Grenada in a similar way.

The U.S. Administration wants to change the Panamanian Government. We cannot rule out an intervention. If that happened, the U.S. Administration would be making a serious mistake. A military intervention in Panama would be not only an aggression against the Panamanian people but against all Latin American and Central American peoples. It would be an attack on independent policies. It would be the end of Esquipulas II.

There is a very important factor. The Salvadoran, Central American, and Latin American movement would not remain silent. If the United States acts against Panama, it would increase the regional crisis. It would be an escalation of the crisis, and the FMLN would act in response to the situation. The war would spread throughout Central America, and perhaps beyond Central America.

The Salvadoran revolutionary movement, and the FMLN in particular, call on the Central American and Latin American revolutionary movements to be in a state of alert in view of the U.S. policy of aggression against the Panamanian people. We call on those movements to play their roles in the defense of independent policies, because this is closely linked with the interests of all our continent's revolutionaries.

Coprefa Reports Recent Clashes, Casualties

PA022344[Editorial Report] San Salvador Radio Cadena YSU in Spanish at 1800 GMT on 29 February carries a Coprefa report giving the casualty toll of clashes in Usulután and Morazan Departments over the week-end.

"Six terrorists were killed in fighting between FMLN units and Atonal Battalion counterinsurgency troops" in a clash that occurred yesterday morning near San Felipe Farm, Concepción Batres Jurisdiction, Usulután. In San Francisco Gotera, military detachment troops killed five rebels near the town of El Progreso, Torola Jurisdiction, Morazan Department. Three soldiers of this detachment were injured in a clash with rebels. The report adds that Army troops seized "1 M-79 grenade launcher, 9 fragmentation grenades, 5 mines, and other war materiel."

Coprefa also notes that in diverse combing operations, Army troops have found abandoned war materiel. The weapons seized "include 2 M-16 rifles, 1 AR-15 rifle, 1 M-60 machinegun, a large amount of ammunition, 18 explosive devices, and 3 knapsacks with military uniforms and subversive propaganda." This report states that the FMLN killed two peasants in Maculis, near (Satelpique), San Miguel Department. Another peasant died when he stepped on mined planted by FMLN rebels. Moreover, in (Llano Dona Maria Canton), Guazapa Jurisdiction, four persons were kidnapped. To end this report, Coprefa notes that four persons were killed and two were injured when a grenade exploded in a home in Ciudad Barrios village, San Miguel Department.

San Salvador Radio Cadena Sonora in Spanish at 1700 GMT on 1 March carries Coprefa's daily report. Coprefa states that three soldiers were killed and another was injured in an FMLN ambush against troops belonging to Jucuaran Battalion, 6th Infantry Brigade during an incident that occurred "at noon yesterday" at El Pacun village, Tecoluca Jurisdiction, San Vicente Department. This reports states that the FMLN rebels killed a peasant in La Cuchilla village, (San Pedro Tesacuango), San Salvador Department. The "FMLN terrorists also kidnapped 12 persons in Usulután, Santa Ana, and Cabanas Departments. In addition, two civilians were injured by mines planted by the FMLN rebels in Cuscatlán and Usulután Departments.

Honduras

Congress Condemns Panamanian Military 'Meddling' *PA032345 Panama City ACAN in Spanish 2159 GMT 3 Mar 88*

[Text] Tegucigalpa, 3 Mar (ACAN-EFE)—The Honduran Congress today decided to condemn the meddling of the Panama Defense Forces in civilian affairs, which led to the dismissal of Eric Arturo Delvalle as president of Panama.

The motion, which was presented by Liberal Deputy Edmon Bógrán, was unanimously approved and points out that civilian issues in Panama must be resolved by civilians.

The Honduran Congress' resolution urges Liberal President José Azcona Hoyo to monitor developing events in Panama and act in accordance with the principle of democratic solidarity and the Panamanian people's right to control their fate.

The Honduran Government has not yet issued an official statement on recent events in Panama but issued a communique to express disagreement with statements made by its ambassador to Panama, Colonel Rigoberto Regalado Lara.

The Honduran ambassador to Panama was recalled for consultations and upon arrival in the country told the press that the replacement of President Delvalle is in keeping with the Panamanian Constitution, that his dismissal is legal, and that it cannot be considered a coup d'état.

In the communique in which it disagrees with the statements of its ambassador, the Honduran Government does not assume a clear-cut position but decided to keep the diplomatic soldier in Tegucigalpa.

Nicaragua

Government Says U.S. House Vote Helps Peace *PA040357 Managua Domestic Service in Spanish 0318 GMT 4 Mar 88*

[Nicaraguan Government communique; date and place of issue not given—read by Manuel Espinoza, minister of information and press of the Presidency]

[Text] Today's vote in the U.S. Congress should help the Central American presidents peace efforts. The Reagan administration today has an opportunity to immediately stop all types of aid for the mercenary forces and to support the initiative for a direct dialogue, which was presented by Nicaraguan President Commander Daniel Ortega Saavedra.

The Nicaraguan Government again urges the U.S. President to hold direct negotiations with the Nicaraguan president which, bearing in mind security aspects, will lead to the normalization of relations between the U.S. and Nicaraguan Governments.

Ambassador Tunnerman Comments

PA040130 Managua Domestic Service in Spanish
2338 GMT 3 Mar 88

[Telephone interview with Carlos Tunnerman, ambassador to the United States, by unidentified reporter—live]

[Text] [Reporter] We have received an AFP dispatch saying that the House of Representatives today approved, by a vote of 215 to 210, a Democratic proposal to authorize \$14.5 million for exclusively humanitarian aid for the contras, a similar amount for medical aid for Nicaraguan children, and \$1.5 million for the Miskito Indians of the Atlantic region. The approval of the Democratic package eliminates the possibility of voting for an alternate Republican proposal that allocated a total of \$36 million: \$22 million in nonmilitary aid for the contras and \$14 million in aid for the Nicaraguan children. Before becoming law, the approved package will have to be approved by the Senate, which will be unable to introduce amendments. This is in line with the regulations that were established by the House Democratic majority and which were decided in a prior vote of 225 to 187, which led to the Republican protest.

Dr Tunnerman, we really do not clearly understand the situation reported by this dispatch. Can you explain it to us?

[Tunnerman] Of course, I would be happy to do so. Listen, what happened is that the news agency sent the result of the vote of the House when it was sitting as the Committee of the Whole. The news agency did not wait for the final vote when the House was sitting as a legislative chamber to approve what they call the vote on passage [preceding three words in English], which is the vote that either authorizes or rejects the law. That final vote came a few minutes later and it was different from the one reported in the dispatch that you read. The final vote was 216 against and 208 for. In other words, the Democratic proposal was defeated; it was rejected. This means that the Republican proposal was also rejected because of the regulations that had been established for the vote. Therefore, the truth is that with this action, the House has rejected all types of aid for the counterrevolutionaries, both military and nonlethal aid as well as the so-called humanitarian aid. It did not approve any type of aid for the counterrevolution. At this time there is no law on this topic because in the final vote, 216 representatives rejected the proposal and only 208 approved it.

[Reporter] Dr Tunnerman, we are initially really surprised. Do you think this situation is a way for a transnational news agency to manipulate the news, because here it is believed that the Democratic proposal

was approved in a vote of 215 to 210? What do you think is the reason for this situation? Will another package or request be presented in the next few days, weeks or months?

[Tunnerman] Look, what happened is that the legislative procedures here are a little complicated and sometimes as soon as the vote of the Committee of the Whole is over, the reporters write their dispatches without waiting for the final vote, which is called on passage. That is the final vote. What happens now? Well, at this time there is no law. The Senate cannot initiate a law for the allocation of funds. However, the Senate could attach some bill to some of the laws being discussed at this time. Therefore, there is always the possibility of some legislative maneuver. However, at this time the result of this afternoon's vote is that there is no type of aid for the counterrevolution and that the Democratic alternative was defeated by 216 to 208 votes.

[Reporter] We also have an ACAN-EFE dispatch from San Jose saying that Adolfo Calero will head the delegation to the cease-fire talks. I must tell you that according to dispatches and reports aired by right-wing radio stations in Nicaragua this morning, the counterrevolutionaries were rejecting a direct dialogue with the Nicaraguan Government, which has appointed Commander of the Revolution Humberto Ortega Saavedra to head its delegation. They said the counterrevolution rejected direct talks without the participation of Cardinal Miguel Obando y Bravo as mediator. Is the announcement that they are appointing Adolfo Calero the result of the vote?

[Tunnerman] No, I do not think so because in Washington we already knew about 1 hour ago that the contras had announced in Miami that they agreed to go to the meeting and that they were appointing counterrevolutionary Adolfo Calero as chief of their delegation. Therefore, this news was already known in Washington more than 1 hour ago.

[Reporter] Yes, but we are talking about reports this morning and not 1 hour ago. We are talking about reports that arrived here. It is about 1735 here. In the morning it was reported that the counterrevolution was rejecting any type of negotiations or direct talks with the Nicaraguan Government if Cardinal Miguel Obando y Bravo was not a mediator. That occurred in the morning. We think that when the counterrevolutionaries learned about the U.S. legislators' new rejection of aid for them, they had no other alternative but to announce that Adolfo Calero will head their delegation.

[Tunnerman] Well, they know that their position in Congress is weak. They probably do not have any other alternative but to negotiate a cease-fire. What I am telling you is that the news media here said this morning that the counterrevolutionaries announced that it would not be until the afternoon that they would make known their position. It was stated that the decision on their participation would be delayed until the afternoon and

more than 1 hour ago it was learned here in Washington that they agreed to participate in the talks and that they have appointed Calero. Of course, they know their position in Congress and among public opinion is weak and this probably influenced their decision to accept the cease-fire talks.

[Reporter] That is correct. They maintained that position this morning while they waited for the vote results. In any case, Dr Tunnerman, Nicaraguan ambassador to the United States, can you again tell the Nicaraguan people that the request for more aid for the counterrevolution was defeated?

[Tunnerman] Yes, the final vote of the House was very clear. It was 216 votes against the request compared to 208 votes in favor. This means that both the Democratic alternative and the Republican proposal were rejected. They were both rejected and there is no type of aid for the counterrevolution.

RN Issues Communiqué on Ortega Proposal
PA040457 Managua Radio Corporacion in Spanish
0414 GMT 4 Mar 88

[Nicaraguan Resistance, RN, communiqué issued in Miami on 3 March; read by Radio Corporacion correspondent Randall Castro Monges in relay from Miami]

[Text] 1. The RN hereby publicly recognizes the work done by His Eminence, Cardinal Miguel Obando y Bravo, as mediator.

2. Thanks to his work, progress has been made in the negotiations to the point that the Sandinist regime has accepted in principle, while the RN has accepted without any reservations, the proposal made by the cardinal on 18 February in Guatemala City.

3. The cardinal has been dismissed as mediator in a unilateral and dictatorial action that seeks to eliminate the guarantee that His Eminence represented for the simultaneous enforcement of general amnesty, democratization, and the cease-fire as established by Esquipulas II.

4. The RN agrees to attend a face-to-face high-level meeting in Nicaraguan territory in order to discuss the cardinal's proposal that was accepted in Guatemala by both parties. The cardinal must attend this meeting as a moderator, witness, and guarantor. The details must be agreed upon by both parties prior to the meeting.

5. The RN hereby appoints director Adolfo Calero as chief of the RN delegation that will attend the meeting in order to agree simultaneously on a cease-fire and the democratization of Nicaragua according to Esquipulas II. Issued in Miami, 3 March 1988 [signed] The RN directorate: Pedro Joaquin Chamorro, Azucena Ferrey, Aristides Sanchez, Alfredo Cesar, and Adolfo Calero.

Calero on Cease-Fire Talks

PA040657 Managua Radio Corporacion in Spanish
0416 GMT 4 Mar 88

[Telephone interview with Nicaraguan Resistance, RN, leader Alfonso Calero Portocarrero by Ramiro Isaacs in Miami on 3 March—recorded]

[Text] [Calero] I have been appointed by the RN Directorate to attend the meeting with the Sandinists—if the meeting ever takes place—as head of the RN delegation. We will discuss, and the communiqué clearly states so, the simultaneous implementation of a cease-fire and democratization, which definitely includes an amnesty. Also, we have clearly stated that the issue to be discussed is the proposal presented by the cardinal in Guatemala City on 18 February. The proposal was accepted without reservation by the RN and it was accepted in principle on 19 February by the Sandinist delegation, which was led by Deputy Foreign Minister [Victor Hugo] Tinoco.

[Isaacs] Dr Adolfo Calero Portocarrero, what are the RN's conditions to continue with the process?

[Calero] Esquipulas specifies simultaneous implementation, democratization, and cease-fire. In other words, a cease-fire has to be simultaneously implemented with democratization and amnesty. Since we are going to negotiate the cease-fire, it is necessary, absolutely necessary, for us to know exactly what the plan, dates, and day [as heard] that democratization, democracy, and freedom will be enforced. This includes freedom for the news media and the release of political prisoners in Nicaragua.

[Isaacs] Dr Calero, does this mean that you will continue with the process proposed by Daniel Ortega only if these conditions are fulfilled?

[Calero] We are always willing to talk. Nevertheless, the cardinal's proposal is the basis for the dialogue. The cardinal's proposal clearly specifies that the amnesty, freedom of expression, and the country's democratization must be simultaneously implemented in Nicaragua with the cease-fire.

[Isaacs] Dr Adolfo Calero Portocarrero, do you have a message for the Nicaraguan people?

[Calero] The RN defends the Nicaraguan people's national values and it defends the Nicaraguans against the Sandinist dictatorship and abuse. We will always keep in mind the Nicaraguan people's interests in any negotiation or effort undertaken by the RN.

[Isaacs] This has been a telephone interview with Adolfo Calero Portocarrero in Miami.

RN Leader Urroz Rejects Proposal

PA032359 Paris AFP in Spanish 2237 GMT 3 Mar 88

[Excerpts] San Jose, 3 Mar (AFP)—An important Nicaraguan contra leader, Roberto Urroz, today rejected the Sandinist Government's offer to hold direct cease-fire negotiations in Nicaragua, at the highest level and without the mediation of Cardinal Miguel Obando y Bravo.

Urroz, a member of the Nicaraguan Resistance (RN) Directorate, termed the Sandinist proposal "a new propaganda stunt to influence the U.S. Congress' vote on Thursday on a new package of humanitarian aid to the Nicaraguan rebels."

In statements to the Costa Rican radio station Radio Impacto, linked to the contras, Urroz said the Sandinist Government does not have the power to "decide unilaterally" the withdrawal of Cardinal Obando y Bravo as mediator in the cease-fire negotiations in Nicaragua. [passage omitted]

Urroz, who participated as a RN delegate at the last round of talks in San Jose and Guatemala, harshly attacked President Ortega for trying to remove Cardinal Obando y Bravo from the talks saying that by doing this the Sandinist Government is also trying "to alienate the internal opposition" from the national dialogue process.

Urroz announced that the contra directorate, made up of Adolfo Calero, Alfredo Cesar, Aristides Rodriguez, Azucena Ferrey, and Pedro Joaquin Chamorro, will hold an emergency meeting on Thursday to formally answer the Sandinist proposal for a direct high-ranking dialogue without mediators in Nicaraguan territory.

Demonstrators Protest at LA PRENSA Offices

*PA040107 Managua Domestic Service in Spanish
2314 GMT 3 Mar 88*

[Report by Mario Zelaya from LA PRENSA offices in Managua—live relay]

[Text] We are in front of the newspaper of the U.S. Embassy, LA PRENSA. At this moment we can see a big fire that has been lit. In fact, dozens of workers here are ridiculing the rightwing in different ways. You can hear in the background the people's power, the workers holding high their clenched right hands. They are workers of the Sandinist Central Organization of Workers [CST], demobilized companeros of the Patriotic Military Service, our organized people who have come here spontaneously to protest this capitulating, right-wing, traitorous newspaper LA PRENSA, and to urge all the people to continue defending the fatherland's peace and sovereignty. Let us hear our people in the background. [crowd shouts: "Long live peace" and other indistinct slogans].

I must add that they have brought effigies ridiculing these people [not further identified] as rightwingers. We must note that the doors of LA PRENSA were closed and that early this afternoon Mrs Violeta Chamorro left in her vehicle, avoiding our people. [indistinct shouts]

Here we can see the revolutionary spirit of our people, who can tolerate no more, who are tired of the reactionary attacks made daily by this newspaper LA PRENSA.

Here in front of the newspaper LA PRENSA we have a spontaneous rally. Here we will hear Damaso Vargas, CST companero.

[Vargas] We must not forget that the U.S. Congress will begin debating today the granting of alleged humanitarian aid. That Congress has no authority and no authorization to discuss Nicaragua's problems. Nevertheless, the U.S. Congress continues its meddling action, its interventionist action, discussing Nicaragua's problems. We Nicaraguans, we Nicaraguan workers, we Nicaraguan inhabitants discuss Nicaragua's problems. The workers condemn this action as immoral and interventionist. State workers, business workers, and service and industry workers condemn this immoral debate in the U.S. Congress. This debate is a filibustering, interventionist debate. We must maintain our mobilization in our work.

Ramirez Comments on 'Attacks' on Sandinism

*PA031651 Managua Radio Sandino in Spanish
1930 GMT 2 Mar 88*

[Text] Vice President Sergio Ramirez yesterday characterized the counterrevolution's attacks on Sandinism. He pointed out that the process currently under way in Nicaragua is absolutely irreversible.

Speaking before the seventh congress of the Nicaraguan Journalists Union that took place yesterday, Ramirez said that the extreme right is using the opening given by political pluralism to open an ideological terrorist flank, which is part of the overall U.S. strategy.

Ramirez stressed that this strategy is once again polarizing the right wing and its propaganda instruments. Falsehoods, exaggerations, and intransigence comprise the highly inflammable fuel used by the Reagan administration in an attempt to burn the vehicles of right-wing opposition. [sentence as heard]

Ramirez explained that nothing better could happen to a U.S. President who has vowed to destroy the Nicaraguan revolution at a time when he is about to leave office than to see the right-wing subversion face repression and the closure of the opening that it irresponsibly enjoyed.

We are good and patient students of history, he added. Given that we have been undeniably successful at defending ourselves, that we have waged the most brilliant battles recorded in Latin American diplomatic history, our duty is not only to defend ourselves, but to take the initiative in the ideological war.

The vice president lashed out against the campaigns of the rightist press that claims an alleged lack of popular support for the FSLN and refers to a government in power by virtue of its strength of arms, and other false arguments.

Ramirez said that even in serious publications abroad, such as in the case of (VUELTAS) magazine, directed by Octavio Paz in Mexico, one sees articles that attack the Nicaraguan revolutionary process.

Ramirez recalled that if something has changed over the years it is the people, who are dressed differently and without masks, and that all this time they have attended a formidable school, graduating as experts in domestic and international politics.

We know where we are headed, where we came from, and what our next step should be. This is our best ideological weapon, the vice president added. He said that the right wing fools itself because Nicaraguan society is not the same as what the right wing believes it to be.

The country has experienced profound changes; and because they have been profound, they are irreversible, the vice president said. It is impossible to ignore, except for those suffering blindness from birth, that Nicaragua's vital structure has changed forever. If, for the revolution, these changes have been difficult, for the counterrevolution to set them back is more than impossible, he stressed.

Ramirez said that an efficient weapon for ideological struggle, as a consequence of this popular, irreversible will, is the irrevocable transformation of the country's structures. Our most important political duty and task is to strengthen its consolidation and defense in the people's own consciences, he added.

Defense Ministry Lists Contra Casualties

PA022330 Managua BARRICADA in Spanish 1 Mar 88 p 2

[Text] A Defense Ministry communique summarizes the most important EPS clashes during the last few days, and terrorist acts carried out by Somozist mercenaries on Reagan's payroll.

On 27 February, there was fighting near Buenos Aires farm, north of Santo Domingo, Chontales Department, resulting in the deaths of three counterrevolutionaries and the recovery of two AK rifles.

The same day, there were clashes at El Garrobo, southeast of Nueva Guinea, autonomous South Atlantic coast region, resulting in the deaths of three mercenaries and the confiscation of one AK rifle and 6,000 AK rounds of ammunition.

On 26 February, mercenary groups kidnapped three civilians at Las Canas, northeast of Quilali, Nueva Segovia Department. Also on 26 February, two electric power posts were blown up at El Castillo, southeast of Presillas, Rio San Juan Department.

On 28 February, a civilian vehicle was ambushed and burned at San Jose, northeast of Rio Blanco, Matagalpa Department.

TELCOR Restores Microwave Communications

PA021829 Managua Sistema Sandinista Television in Spanish 0200 GMT 2 Mar 88

[Text] TELCOR [Nicaraguan Telecommunications and Postal Service] sources in Las Segovias have reported that microwave telecommunications were restored in Region I at 0920 today.

The mercenaries' sabotage of a telecommunications tower in La Laguna, Esteli last week affected not only the towns in the region but the other Central American countries, including Panama.

In Costa Rica, telecommunications were not expected to be restored until next week, but the persevering efforts of 75 TELCOR workers made it possible to do so in record time. Restoration of the service cost the government several thousand dollars.

PPSC Leader Calls for Continued Aid

PM021133 Oslo ARBEIDERBLADET in Norwegian 19 Feb 88 p 14

[Report by Erik R. Selmer on interview with Social Christian Popular Party parliamentary leader Luis Humberto Guzman: "We Need Norwegian Help"—date, place not given]

[Excerpt] [Guzman] "The conservatives in Norway have reservations about the aid the Norwegian Government is giving to Nicaragua. I believe that this is a political mistake.

"For Nicaragua to be able to pursue an independent policy, the will to do so is not enough—we also need the means. If Western Europe ends its aid to Nicaragua, the government has no choice about where to get aid. Aid is the tool with which to influence conditions in Nicaragua. I am certain that in Nicaragua there are even conservative groups which want the Norwegian Government to continue its aid."

So said Nicaraguan Social Christian Popular Party [PPSC] parliamentary leader Luis Humberto Guzman to ARBEIDERBLADET. The party is a sister party to Norway's Christian People's Party.

Guzman has a relatively optimistic view of the situation in Nicaragua at present. The peace agreement has opened up a new phase with a better political climate and better chances for a cease-fire. The political parties have been given better working conditions. In general terms, conditions are acceptable.

"I do not think that the conditions imposed on us are particularly bad compared with the rest of Central America," said Guzman, who wanted nevertheless to stress that conditions deteriorate as soon as you leave the towns.

He thinks that the reason that so much attention is being paid to Nicaragua in comparison with the other countries in Central America is that it is in the interest of the United States that the searchlight be pointed in this direction.

"Even if the biggest war is going on in Nicaragua, there is not the same terrorism here as there is in Guatemala and El Salvador. Life is safe in Managua. But life is not safe in Guatemala City or San Salvador. There have even been attempts on people's lives in Honduras recently," Guzman said.

The PPSC is involved in the newly established Reconciliation Committee in Nicaragua. The work is not easy. It requires political balance and consensus. The most important theme is to develop the dialogue between the government and the internal opposition.

"The opposition is trying to secure changes to the Constitution in four areas. It wants better protection for human rights, restrictions on the Sandinists' power inside the Army, increased power for parliament, and greater protection under the law for individuals." [passage omitted]

Panama

Noriega Attacks U.S. Policy, Ambassador Davis
PA040220 Buenos Aires REUTER in Spanish 2331 GMT
3 Mar 88

[Text] Caracas, 3 Mar (REUTER)—General Manuel Antonio Noriega, military strongman of Panama, accused the United States of treating his country as a World War II enemy and said the U.S. ambassador to Panama is deceiving President Ronald Reagan.

"The United States is treating Panama as if it was its worst enemy in World War II, as if we had dropped the atomic bomb on the United States, as if Panama had taken 27 of its [citizens] hostage," Noriega stated today in an interview published in the magazine ELITE.

Noriega added that President Eric Arturo Delvalle, who was deposed last week by the Panamanian Legislative Assembly, had succumbed to U.S. pressures.

[Words indistinct] resistance reached its lowest expression when he spoke in Miami with a fourth-rate man, such as Elliott Abrams. To a president of a Republic, that is an insult to the fatherland," Noriega told the magazine. [quotation marks as received]

Abrams and Delvalle met on 15 February in Miami to agree to remove Noriega and create a political crisis that would allow U.S. intervention.

Noriega, who has been accused by U.S. Department of Justice officials of turning Panama into a large criminal enterprise, said Ambassador Arthur Davis has been partly responsible for the disinformation campaign against Panama. "They have an ambassador here, a despicable man, the most disinforming man of the nation, who is deceiving the Reagan administration, who is passing on false information," Noriega told ELITE.

The U.S. ambassador, Noriega reportedly told the magazine, "has his nose stuck in everything, even in panties." "There are 17,000 civilians (U.S. citizens) living in Panamanian apartments and not one of them has had a tongue stuck out at them. That shows we are a civilized people, but they treat us as if we were one more star on their flag," Noriega stated.

Behind the current crisis there is the U.S. desire to secure a new Panama Canal treaty to replace the 1977 treaties whereby the canal must revert to the Isthmian Republic before the year 2000.

The United States has also agreed to withdraw its 10,000 troops stationed in the canal area. "That is why they are attacking us, because they want to keep their bases here," Noriega told ELITE, adding: "They want a new treaty, a new presence in the canal. That is the reason for the attacks. They are not against Manuel Noriega, who is an atom in the galaxy, but against any military man or citizen who opposes them."

Noriega, whose Panama Defense Forces participate every year in maneuvers with the U.S. Southern Command, said U.S. troops are not in Panama to protect the canal but to serve as a reactionary force in other countries of the region.

Assesses U.S. Military Presence
PA041431 Paris AFP in Spanish 1331 GMT 4 Mar 88

[Text] Madrid, 4 Mar (AFP)—Panamanian General Manuel Antonio Noriega promised that the military will withdraw to their garrisons after the 1989 elections and affirmed that the so-called Defense Forces have plans to face a possible U.S. military intervention.

In statements published today in the Spanish daily EL PAIS, Noriega commented on possible resistance [to a U.S. military intervention]: "Here in 1964, when the United States destroyed a Panamanian flag, 23 Panamanians and 7 U.S. citizens died....They have no justification for invading Panama. Elections are the only solution. Panamanian society will participate in a truly democratic event, supervised by Latin American countries."

With regard to former President Eric Arturo Delvalle, Noriega explained: "Delvalle resisted the pressure to the utmost of his ability until he was finally forced to submit to the U.S. plan. There is no doubt about that. There is absolutely no doubt that Elliott Abrams (U.S. assistant secretary of state for inter-American affairs) devised the plan....The U.S. ambassador in Panama has Delvalle under his custody. The U.S. ambassador is now the guardian of Delvalle's life and health."

He concluded by saying that, for him, this is definitely not a case of threatening the United States with taking Panama over to the socialist camp.

Interviewed on Situation

PA040605 Bogota Inravisión Television Cadena 1
in Spanish 0222 GMT 4 Mar 88

[Interview with General Manuel Antonio Noriega by Yamid Amat carried on the "Reportajes Caracol" program; date, place not given—recorded]

[Text] [Amat] How is General Noriega, how is he?

[Noriega] Well, as you see, I am calm, without complications; I like simple things. Complicated things confuse me. I am a military engineer and I got a headache every time we had to use logarithms, astronomy; all those things that are so complicated. That does not go with my nature. I like jokes, jesting, drinks, good recreation, and work.

[Amat] You have told me what you like, now tell me what you don't like.

[Noriega] [Laughs] What I do not like, I do not like to be pestered.

[Amat] How are things?

[Noriega] Well, we have the government of President Solis Palma. Everything has gone smoothly. Ever since this government was initiated there have been popular demonstrations in the folkloric, Panamanian style. A strike was called by the management sector, and it has been in effect for 2 days. During this time the strike has been 40 percent effective and regular activities have been 60 percent normal. Above all, commercial activities have been 80 percent normal. [sentence as heard] Therefore, activities in the city remain dynamic. Transportation is dynamic, as is work, but there are certain businesses of the upper commercial class that have remained closed.

[Amat] General, why do you think that sector you call the upper commercial class is at a standstill?

[Noriega] Because that is the traditional sector that has maintained power since the Republic of Panama separated from Colombia. They were the first presidents, the ones who led the [political] movements, they are the families that traditionally held power here in Panama until the year 1968. Then there was a change with General Omar Torrijos and the presence of the popular classes; the middle-low bracket classes were more active in the Panamanian state. That [upper] class was displaced from power, which I repeat, they held since 1903, since those mixed-up times of the separation from Colombia. After having held economic power, they want to retake political power, which is what they lack.

[Amat] I am sure when I return to Colombia my fellow citizens will ask: What is happening in Panama? I think the most authorized person to say what is happening in Panama is you.

[Noriega] We have begun a process that has reached the first transition phase, where one can definitely envision the reversion to Panama of the canal areas, jurisdiction over the Panama Canal, and the Panama Canal itself. In 1989, next year, there will be a new [Panama Canal] administrator, who should be a Panamanian. Right now it is a U.S. citizen. That involvement in the administration of the canal is cause for concern in the United States, which will no longer freely exercise its labor controls, its economic controls, and its administrative controls in the administration of the Panama Canal.

And from 1989 to 1999, there are 10 years for the U.S. presence in Panama to come to an end. Therefore, when there are movements, when there are resolutions by the people and by the Legislative Assembly indicating that they do not want that foreign presence to continue, that they do not want the military bases to remain, then we come up against a hardening of the United States' position, which wants to maintain its uniformed, military presence in our area. Then, in the face of the Panamanians' nationalist, patriotic position, we encounter a strategy by the U.S. Administration to remain here and, from here, use our geographic presence to better control the areas in Latin America in which the United States has interests. Although I am being redundant, that is the only reality in Panama's problem. When it did not find a docile government, a submissive Armed Forces, a people ready to say yes, but rather a young, patriotic, nationalist youth, the United States used the strategy of pressure.

The United States has used the strategy of pressure in search for a yes-man government—a government with a U.S.-style democracy and men who would be willing to sign a treaty for new bases—for a continued presence of North Americans in our area.

The search for that kind of government has brought them to the point of using pressure, including psychological pressure: black propaganda; gray propaganda; white propaganda; slander; and local and international disinformation campaigns that tell one truth together with three lies using all the media. They saturate the media with these campaigns. We watch the Latin American media 24 hours a day, and those countries are saturated with negative news about Panama. This is part of the economic aggression they are using against our country as if this were World War II and we were part of Nazi Germany at war with the United States. The truth is that Panama is a peaceful country. They have been here since 1903, and never has a North American been kidnapped or killed or beaten, with the exception of those who could have been beaten in a bar because of drunkenness or for having a wild time.

This excessive and insulting pressure does not go against Panama; it goes against the future of a nation and the self-determination rights of a nation. By doing this, the United States is telling the rest of Latin America, the sister nations of Contadora and the Group of Eight, that if the United States says something and a nation does not agree with it, then that nation will get the Panama menu, and the Panama menu is economic aggression, journalistic disinformation, slander, threats, and discredit.

[Amat] There are two lines of thought: one sector says you are an honest man who is being slandered and persecuted; the other sector says you are a dictator.

[Noriega] Absolutely. Look: The Panamanian Government and administrative framework was made to fit the Panamanian needs. When several families seized power and Panama's economic resources in 1903—after our separation from Colombia—they did it to stay, and an oligarchy emerged that was isolated and different from the popular classes.

[Amat] Is there too much power concentrated in the hands of the Defense Forces commander?

[Noriega] This can be seen as evolving from more to less. Torrijos had much power. He had military power, and he was chief of government. The 1968 coup put him in command of both the military institution and the government. When the transition period came, Paredes [was Defense Forces commander], but he did not stay there very long because he engaged in a political campaign. This is why he does not have much significance.

In comparison with Torrijos, and the years when Torrijos was in power—1969, 1970, 1971, 1973, 1977, 1980—we have been diminishing our presence. We will pass on the administration of the state in 1989. The Armed Forces have one single mission: the Panama Canal's security. Next year, the Defense Forces will share neither the political functions nor the joint roles that are outlined in the Constitution with whoever wins the elections.

[Amat] What about the belief that you, as commander of the Defense Forces, appoint and dismiss presidents?

[Noriega] That is part of the disinformation problem. We Panamanians are very political, and we owe this to the Colombians. We have this political vein, this rhetorical vein, of campaigns and speeches. All this is Colombian. My grandmother was Colombian. Everyone here has a Colombian ancestor. This is what makes us a political country, a small hot country. Parliament is very powerful here. This is not a parliamentary regime but parliament has coercive force. If the parliament wants, it can overthrow a government simply by not approving bills. This is what has happened to presidents who have not coordinated their actions with parliament. When there is no coordination between parliament rules and government decisions, then the parliament turns against the president and the president has to go, he has to go.

[Amat] General, the current crisis in Panama began when President Delvalle publicly removed you from your post. How did you feel when you heard the news that the president had removed you from your post?

[Noriega] Well, [laughs] even though you may not believe it, I already knew about it. [laughs] I knew because Delvalle had already received the United States' instructions to do it when he returned from Miami. Elliott Abrams told him in the United States: You have to do this. Delvalle's authority was invalidated from that very moment. Delvalle told me Elliott Abrams had told him: You have to do it! I replied: It is all your fault because you have talked with fourth-rate officials from another nation. A president must have dignity and Elliott Abrams does not govern in Panama.

[Amat] He said you were not surprised by the president's television address to notify...

[Noriega, interrupting] Absolutely not, absolutely not [repeats himself].

[Amat] What happened later?

[Noriega] I remained calm. I was at a wedding. I was at a wedding at 1500. I was called and told what had happened. I was also told that the Defense Forces' midlevel officers did not accept this and had already issued a statement. When they told me this I went to the Defense Forces headquarters. I was still in civilian clothes.

[Amat] General, I saw today that the United States...[corrects himself] that a U.S. judge froze the National Bank of Panama's funds. That is a serious problem. Do you not feel cornered sometimes?

[Noriega] Yes, that is right. The Panamanians feel unnecessarily cornered, and this is dangerous. Why should they freeze Panamanian money? Why should they take away our money if they do not lend or give us

money? That is an aggression. It is even worse than what they did to Colombia a few months ago. They boycotted Colombian products and let the carnations, flowers, and other products spoil in customs warehouses. They have not only interfered in our politics, they have also picked our pockets. That shows a lack of respect for a weak, smaller—with a population of 2 million—and non-aggressive country.

[Amat] General, will you ever feel completely asphyxiated by the United States' measures and pressure?

[Noriega] Look, you must remember that I am only one person. There are many people involved here. I am simply the representative who defends a cause. That does not mean that I am the cause. Noriega can be dismissed, removed, or eliminated, but the cause remains. Others will come, and they will be followed by others—to the left, right, above, below—and they will carry the same banner. They will fight using other means. Perhaps their methods will be stronger or more absurd. For instance, remember Torrijos. Who would have thought that Torrijos would lead a patriotic cause? Nevertheless, we had Torrijos. That is why men act according to the circumstances. Circumstances forge a man and circumstances single out the men.

[Amat] General, do you plan on remaining in your post for a long time?

[Noriega] [Laughs] Look, everything changes in life and that is a natural law. Nature has taught us this. We all have to be born, grow, develop, and disappear. That is the aphorism of our life. That is why a limit is established for retirement, right? There comes a time when you have given all, or almost all, that you could give and the convenient thing is to go and enjoy life, rest, and see other things. I belong to that group of people who, at the moment the institution demands it according to the regulations, will say: Well, boys, I will be seeing you. [laughs]

[Amat] Not right now?

[Noriega] No, right now I stay on the job! [laughs]

[Amat] [laughs] Next year, after the May elections and with the reforms that you say will be applied to the Defense Forces, will Panamanian democracy have more freedoms?

[Noriega] Look, saying that freedoms are lacking here is something that is not based on reality. There is an abuse; there is libertinism. The radio stations are opened here, and they insult your mother. The newspapers are opened, and your mother is called a prostitute and everything else. The use of freedom of expression deteriorates. This is worsened by the fact that no one can file a lawsuit. Someone files a lawsuit and it is turned down because the fine involved is only a \$1. We see that there are enough freedoms here. When someone applies the

law or libertines are slowed down, their cries are then heard. When the Armed Forces are not there, we will see who they will blame for the defects of democracy.

[Amat] Do the closed opposition media, such as LA PRENSA and Radio Mundial, have any hope of being reopened? I imagine you have met with U.S. reporters in the last few days, and I imagine one of their questions has been about the charges on alleged drug trafficking? I read a statement that you apparently made, although I am not sure, saying that you were willing to go before the U.S. judge. I will be one of the Colombians who will come to Panama in 1999 to accompany you in receiving the canal. Will you be heading the forces?

[Noriega laughs].

[The following message appears on the bottom of the screen: "Part 2 of the interview to be broadcast next Thursday."]

Freezing of Funds 'May Trigger Financial Panic'
PA031958 Paris AFP in Spanish 1917 GMT 3 Mar 88

[Excerpts] Panama City 3 Mar (AFP)—According to opposition sources, the freezing of a \$10-million transfer to the Banco Nacional de Panama ordered by a federal judge in New York on Wednesday may trigger "a financial panic" here. [passage omitted]

In addition, a high-ranking executive of a private bank told AFP that Manuel Solis Palma's administration, which is backed by General Manuel Antonio Noriega, may have "liquidity problems" in a few days or weeks and agreed "a financial panic may occur in a matter of hours."

The source, who asked to remain anonymous, said it is true the Panamanian banking community handles approximately \$36 billion in assets, "but this is not cash but paper transfers."

The source recalled that during June and July 1987, when the first crisis occurred, approximately \$380 million deposited with the local banking community—which consists of approximately 12 banks—was taken out of the country. He estimated that approximately \$70 million have been taken out of the country during the last few days.

The source stressed there may be problems meeting the payroll of the 40,000 public employees, because "the government can issue checks, but the problem is whether it can turn them into cash or if private businesses will accept them."

"What I would do is close the institutions of the national banking system while cash is obtained through arrangements with friendly countries, because if the public's requirements are not met, there will be a panic," the source remarked. [passage omitted]

Legal Action Considered

PA031930 Madrid EFE in Spanish 1852 GMT 3 Mar 88

[Text] Jorge E. Ritter, the Panamanian Government's permanent representative to the United Nations, announced today that his country's government is promoting legal actions to lift the freezing of Panamanian accounts in U.S. banks.

Ritter, who was recently confirmed in his post by the new Panamanian Government, said today that the United States maintains "an absurd and ridiculous lie" by recognizing a "nonexistent state."

"They are clinging to an unbelievable lie that they alone maintain. It is the only country that has adopted such a position of ignoring our nation's reality. What seemed to be a political decision turned out to be an economic measure that promotes the avarice of some consuls," he added.

Ritter spoke to a small group of correspondents following an audience with UN Secretary General Javier Perez de Cuellar, whom he briefed on "the reality of the Panamanian situation."

"The UN secretary general received my report with great interest and thanked me for the initiative," Ritter said.

Banks Suspend Activities

PA040647 Panama City ACAN in Spanish 0605 GMT 4 Mar 88

[Text] Panama City, 3 Mar (ACAN-EFE)—Panama's National Banking Commission [CBN] announced today that it has ordered the indefinite suspension of operations in state-owned banks effective 4 March due to a lack of liquidity.

The measure, announced at 0045 [time as received] on a private television channel, [Panama City Telemetro Television] Channel 13, explains that the bank closures will continue until the availability of dollars for the national banking system is normalized again.

The communique asserts that the CBN's decision was made following consultations with the banking sector, given the lack of liquidity in the country.

Deposed President Eric Arturo Delvalle, whom the United States still recognizes as president, issued instructions on Tuesday to his ambassador in the United States, Juan Sosa, to request that all funds and transfers to Panama in U.S. banks be frozen. This measure involves approximately \$50 million. Sosa said on Tuesday that the frozen money will be held in escrow until the country's political crisis is solved.

Commission Issues Communique

PA031320 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Mar 88

[Communique issued by the National Banking Commission on 3 March in Panama City]

[Text] 1. The objective of the Banking Commission is to maintain the solidity and efficiency of the banking system, to promote the adequate monetary and credit conditions for stability and the continued growth of the national economy, and to strengthen and promote adequate conditions for Panama's development as an international financial center.

2. To ensure that the Panamanian banking system will have provisions of paper currency of legal tender in the United States (dollars), the Commission authorized the National Bank of Panama, through Resolution No 1-79, of 19 July 1979, to take charge of the provision of dollars, without excluding the possibility of each bank procuring its own supply.

3. From the beginning, the system administered by the National Bank has functioned adequately, guaranteeing at all times the immediate, regular, and adequate availability of cash of legal tender in the United States (dollars) for the banking system.

4. Recently in the United States, legal, arbitrary, and unfounded action was imposed against the National Bank, freezing National Bank of Panama funds in the United States, against which legal action has already been initiated.

5. This action has prevented the National Bank of Panama from supplying the banks that operate in this country with paper currency of legal tender in the United States (dollars), which hinders the adequate functioning of the national banking system, despite the solidity and solvency of the banks that comprise the system.

6. Representatives from the private banks and national government authorities have made an in-depth and careful analysis of the current situation, concluding that the requisite availability of U.S. dollars does not exist for the functioning of the national banking system, as a result of an extraordinary and unusual demand for cash, and until the banks that comprise the system can normalize their supply of dollar bills through other means.

This abnormal situation is the consequence of the temporary immobilization of National Bank of Panama funds in the United States, and is not the result of any other adverse condition at any of the banks that comprise the system.

It has been concluded and agreed that each bank may obtain dollar bills through whatever means are within their reach.

7. Consequently, the National Banking Commission has decided to order the suspension of services to the public at banks within the national system as of Friday, 4 March 1988, and until further notice, while the availability of dollars to the national banking system is normalized.

Issued by the National Banking System

[Signed] Mario De Diego

Panama, 3 March 1988

Maisto, Barria Accused of Economic Sabotage
PA031619 Panama City CRITICA in Spanish
3 Mar 88 pp 1, 29

[Unattributed article: "Maisto Planning Economic Sabotage Against Our Country;" subhead reads: "Davis' Daughter Recommends Acts of Violence to Seditious Persons"]

[Text] CRITICA has learned that [U.S. Deputy Chief of Mission] John Maisto, charge d'affairs [title as published] of the U.S. Embassy in Panama, and [Chamber of Commerce President] Aurelio Barria are the persons planning the economic sabotage against our country. This includes direct attacks on established banks.

Moreover, it was learned that Krysta [name as published] Davis, daughter of U.S. Ambassador Arthur Davis and very "close" friend of Senator Edward Kennedy, has been active in meetings with the National Civic Crusade. She has recommended acts of street violence.

These desperate actions taken by the opposition, advised by the gringo embassy staff, is part of a change in strategy due to the imminent political failure of seditious elements and their call for a general strike. [Note: Between subhead and text of preceding article there appear passport-sized photographs of Susan Davis with a cutline reading: "Krysta Davis, we know what she is up to"; and of John Maisto with a cutline reading: "... how much longer are we going to tolerate him?"]

CONEP To Continue Strike at Least 1 More Day
PA032218 Hamburg DPA in Spanish 2035 GMT
3 Mar 88

[Excerpt] Panama City, 3 Mar (DPA)—The National Council of Private Enterprise of Panama (CONEP) today decided to continue the indefinite strike by its affiliates, which has lasted since last Monday to protest the ouster of President Eric Arturo Delvalle.

CONEP President Alberto Boyd stated at a news conference that tomorrow they will again analyze the status of the strike to decide whether to continue it or lift it. CONEP is composed of 29 business organizations.

Today the support for the indefinite strike, which was initially started by businesses, diminished when most of them opened. [passage omitted]

SIP To Withdraw

PA040012 Panama City ACAN in Spanish 2257 GMT
3 Mar 88

[Text] Panama City, 3 Mar (ACAN-EFE)—The Association of Panamanian Industrialists (SIP) decided today to end the strike it started last Monday to force the ouster of Army commander General Manuel Antonio Noriega.

The industrialists' association, which is comprised of 300 members, pointed out that production will resume tomorrow, but members will meet to determine the guidelines to be followed regarding the strike movement.

The SIP is one of the most important groups participating in the strike. With its decision, it joins supermarkets, drugstores, gas stations, banks, and other institutions that have withdrawn from the strike.

SIP spokesmen gave no details on why they decided to end this measure to pressure Noriega, who was dismissed by ousted President Eric Arturo Delvalle 1 week ago. However, the National Council of Private Enterprise, which organized the strike, will maintain its position, but it will evaluate the strike situation tomorrow.

Crusade To End Strike

PA040646 Panama City ACAN in Spanish 0345 GMT
4 Mar 88

[Text] Panama City, 3 Mar (ACAN-EFE)—A strike promoted by the opposition Civic Crusade, which paralyzed 85 percent of the country's activities, lasted 4 days, and was termed "a success" by its organizers, ended today.

The paralyzation of activities that began last Monday, gained greatest momentum on Wednesday and ended today when its organizers acknowledged that there had been "an actual economic paralyzation" in Panama.

The organizers joined the strike claiming it would be indefinite and that it would last until Panamanian Defense Forces Commander General Manuel Antonio Noriega abandoned his military post.

The spark that unleashed the businessmen's strike was the dismissal of Eric Arturo Delvalle as president of the Republic on 25 February when the former president ousted General Noriega from his post as Army commander.

Civic Crusade leaders announced the end of the strike tonight during a news conference at a luxury hotel in this capital.

Gen Noriega remains as commander of the Defense Forces and there is a new Panamanian president. Meanwhile, Delvalle is in hiding "in a secure refuge" in this capital.

The Civic Crusade announced that they decided to suspend the strike today to allow "responsible sectors of our national life" to meet tomorrow to evaluate the situation prevailing in the country and to "adopt the necessary actions in view of the new crisis."

Top leaders of the Civic Crusade blamed Gen Noriega for the trying financial situation afflicting the country. The Civic Crusade said they will maintain a "patriotic alert" and continue fighting for a democratic order "in which military power is subordinated to the people's wishes."

A Crusade spokesmen pointed out that the country's internal situation has worsened, especially after the National Bank of Panama admitted its "inability to supply cash to the national banking system." This has brought about "an atmosphere of uncertainty" to the country.

The end of the strike coincides with a debate in the U.S. Congress, which is considering a full economic embargo against the Panamanian Government, which is now headed by 71-year-old economist Manuel Solis Palma.

Should this initiative, which is being discussed in the U.S. Congress, be approved, it would ban all Panamanian exports to the United States, an estimated \$412 million per year.

This initiative would also ban Panamanian imports coming from the United States, which accounts for 30 percent of Panamanian purchases abroad. The proposal also calls for the suspension of all flights between the two countries and would ban U.S. banks from transferring funds to Panama.

The strike ended on the same day the Panamanian Government announced the creation of a commission, which is made up of representatives of the new administration and labor organizations, to "adopt drastic measures" against businesses that supported the strike.

The government voiced its readiness to carry out audits on striking businesses.

Staples Guaranteed

PA031559 Panama City LA ESTRELLA DE PANAMA in Spanish 3 Mar 88 pp 28, 12b

[Unattributed article: "Drastic Measures Announced Against Businesses on Strike"]

[Text] The Coordinating Commission of the Executive Branch met last night and agreed to adopt a number of strong measures to guarantee staples, fuel, medical attention, and food for the entire population.

Following instructions from the Price Control Office (ORP). [paragraph as published]

The measures adopted last night include an order to the ORP asking it to strictly implement Decree No 60 of 7 March 1969, which calls for the adoption of all the necessary measures to guarantee supplies, prevent hoarding and to make possible the proper distribution of staples to all establishments.

Following instructions from the ORP, beginning early today a giant operation will be mounted by ORP inspectors who will strongly and severely demand compliance with the legal regulations that will guarantee the supply of food, medicines, and other articles for the population.

This operation will make it possible to identify the establishments that remain closed in violation of Decree No 60 of 7 March 1969. In addition, the Finance Ministry, through the Customs and Revenue Directorate, will carry out an audit by those two directorates of the establishments that still support the businessmen's strike that began Monday.

In another action, the Coordinating Commission of the Executive Branch announced that both the Social Security Fund and the Health Ministry have installed a Joint Working Commission to guarantee medical attention and medicines for the population requiring those services.

Leaders Discuss Strike

PA032335 San Jose Radio Impacto in Spanish 2205 GMT 3 Mar 88

[Report by Homero Londono from Panama City; passages within quotation marks recorded]

[Excerpts] The situation in Panama has become extremely critical due to the lack of liquidity at the national and foreign banks. This was stated to Radio Impacto of Costa Rica by Dr Fernando Bolt, leader of the National Civic Crusade [CCN].

[Bolt] "Today, Thursday, 3 March, some banks in the capital opened, despite the fact that most of the employees did not report for work. The situation is critical, because it was confirmed that the only transactions that occurred this morning were the withdrawal of money and the cashing of checks. We learned that these transactions could not take place due to a lack of liquidity. [passage omitted]"

Meanwhile, despite the strong rumors that persist in different government and opposition sectors that the strike would be lifted on Thursday, Alberto Boyd, president of the National Council of Private Enterprise [CONEP], announced the strike would continue. Let us listen to him.

[Boyd] "CONEP has been meeting during the past few days to discuss the situation. The rumor that was spread this afternoon that CONEP was lifting the strike is totally false. CONEP plans to hold a meeting to analyze the country's situation. With the latest situation in the banking sector, CONEP has decided to continue the strike with regard to private enterprise. We also, as I said previously, will continue to make these day-by-day studies. CONEP has decided that the strike will continue. At approximately noon tomorrow, CONEP will make a new evaluation of our situation. I want it to be known that a businessman, besides being a businessman, is a Panamanian."

Lastly dear listeners, we have a report that Mr Eduardo Vallarino, vice president of the Panamanian Commission on Human Rights, denounced the threats that have been made against some storeowners here in the capital city of Panama by government authorities, military and civilians, not to join the strike and open their establishments. Here is Mr Eduardo Vallarino with the details.

[Vallarino] "I would like to refer to that as a member of the Panamanian Commission on Human Rights. The government of the dictatorship of General Noriega has chosen the most vulnerable sectors of the people, Jewish and Spanish immigrants, in the belief that due to their precarious situation or their status as new Panamanians, they are much more vulnerable to pressure. The Panamanian Commission for Human Rights denounces this particular violation of the human rights of those Jewish immigrants, who are Panamanians just as we are, as a low action, because in doing so they are pitted against the rest of the country and are made targets for repudiation by the rest of the people. That is a truly condemnable action on the part of the dictatorship."

Further Report

PA032006 Panama City ACAN in Spanish 1859 GMT
3 Mar 88

[Excerpts] Panama City, 3 Mar (ACAN-EFE)—According to a leader of the opposition Civic Crusade, the sitdown strike promoted by the private sector, which has been pressured by the government and the labor unions, experienced important losses today. [passage omitted]

Some of Panama City's supermarket chains began to open today, as have many gas stations, drug stores, and some local and foreign banks. Despite these losses, a Civic Crusade spokesman stressed that "for all practical purposes, the results of the strike today are what had been expected." He also said the banks that had decided to open announced they will not open, and that workers, some supermarkets, the entire industrial sector, doctors, insurance companies, and the country's agricultural and productive sectors still support the strike.

The opposition source reported that the owner of a supermarket chain was "violently threatened" and forced to open his supermarkets today, but it is possible that he will close them again this afternoon.

The National Council of Organized Workers (CON-ATO), the Confederation of Peasant Settlements, the National Federation of Associations and Organizations of Public Employees, and the State Labor Unions are demanding that the government "adopt all the relevant provisions and security measures so the closed businesses are reopened."

These four labor groups have called on workers to meet today at their respective labor union headquarters "to adopt necessary measures."

These labor groups termed the employers' strike a "political strike" that "seeks to impose a docile government that will renegotiate the Torrijos-Carter Treaties, and that will allow the U.S. military presence after the year 2000."

A new element has been added to the country's crisis: Strong rumors are circulating today that there is no liquidity at the national and foreign banks, which has caused panic among the clients who are at the banks withdrawing their savings.

Today, the number of people withdrawing their deposits at the "CITIBANK" was noticeable. A CITIBANK spokesman maintained that rumors that this bank is short of cash are completely false. Nevertheless, the National Bank of Panama today reported that the U.S. Government has confiscated \$10 million at a New York bank, and warned the "banking community" that it will reestablish "the service of supplying cash as soon as we resolve this absurd situation."

A Civic Crusade source stated that the National Bank of Panama's refusal to deliver cash to the banks in Panama City has forced businessmen to close their businesses because commercial operations cannot be carried out, and "even if businesses are opened, they will not be able to operate."

Air Panama Reportedly Cancels Flights to U.S.
PA040314 Buenos Aires REUTER in Spanish 0152 GMT
4 Mar 88

[Text] Panama City, 3 Mar (REUTER)—Air Panama has begun to cancel its flights to the United States out of fear that its aircraft may be seized as part of the economic sanctions against the regime of General Manuel Antonio Noriega, diplomatic sources in Panama announced today.

The U.S. Government [words indistinct] measures today to prevent Noriega from withdrawing Panamanian funds from U.S. banks, acceding to a request by deposed Panamanian President Eric Arturo Delvalle.

An Air Panama flight bound for Miami made an unscheduled stop at Havana Airport before returning to Panama on Wednesday, while flights for Thursday and Friday were suspended.

An airline official, who chose not to be identified, said the suspension of flights was due to mechanical problems and denied that there had been a landing at Havana or that there was fear of aircraft being seized.

A receptionist at the Air Panama reservations office recommended today that tourists make their reservations with other companies. Air Panama usually has passenger flights daily to Miami.

PALA Committees Support Noriega, Solis Palma
PA031728 Panama City CRITICA in Spanish
3 Mar 88 p 18

[Communique issued by the Labor Party National Executive Committee in Panama City—date not given]

[Text] Summoned by Secretary General Ramon Sieiro, the Labor Party (PALA) National Executive Committee, Political Commission, and National Directorate met yesterday and thoroughly discussed the country's current political situation.

The PALA agreed to reaffirm its unyielding decision to support President Manuel Solis Palma and General Manuel Antonio Noriega, Defense Forces commander in chief, in all their efforts to lead the country in the best direction.

As a political party interested in having peace and harmony among the Panamanian people, the PALA members agreed to make an appeal to all citizens for common sense and dialogue to prevail at this time of unrest.

The PALA has decided to continue working together with other members of the UNADE [National Democratic Union] for Panama's benefit and to defend the ethical and philosophical principles that gave birth to the party.

The PALA also discussed a very significant point: According to the principles of the party's charter and political platform, and in view of the calls for a strike, the PALA clearly emphasized its decision to defend respect for private property. The party also pointed out the serious consequences for the national economy caused by those who do not play their proper role in the economy. The PALA also discussed other significant issues related to the current political situation during this meeting headed by the National Executive Committee, composed of:

Dr Juan Medrano, president

Antonio Alessandria, vice president

Ramon Sieiro, secretary general

Jack Cardoze, deputy secretary general

Republican Party Communique Supports Delvalle
PA031253 Panama City LA ESTRELLA DE PANAMA
in Spanish 1 Mar 88 pp 1, 10a

[Communique issued by the Republican Party's Political Committee in Panama City on 26 February]

[Text] The Republican Party's Political Committee

Whereas:

1. His Excellency President Eric Arturo Delvalle addressed the country yesterday to report the serious situation in the country;

2. President Delvalle stated in his speech that the country is experiencing a dangerously deteriorating situation and its international prestige has been seriously effected due to foreign economic sanctions and pressures imposed on Panama, repressive actions against constitutional rights, and accusations made against the Panama Defense Forces commander;

3. In order to encourage national harmony and a search for solutions to serious problems that give rise to a climate of anxiety in the country, his excellency the president, using legal powers bestowed on him by the Constitution, decreed the removal of General [Manuel Antonio] Noriega from his post and designated Colonel Marcos Justines, chief of the general command, in his place;

4. His excellency the president's decision has not been respected by Gen Noriega. On the contrary, the top military leader's followers have been able to get a sector of the Legislative Assembly to unconstitutionally resolve to remove President Delvalle and Vice President Esquivel. Based on this resolution, the cabinet council proceeded to designate Education Minister Manuel Solis Palma as minister in charge of the Presidency.

Resolves:

1. To firmly state that the president's decision and action to remove the Defense Forces commander from his post were taken for the country's well-being and tranquillity, and that he acted within the rights and powers bestowed on him by the Constitution.

2. The Republican Party totally supports the president's decision and action because it considers them the most convenient and indispensable steps with which to attain peace in the country and to take the country along the road toward true democracy.

3. To condemn the Legislative Assembly's and cabinet's actions and to make them responsible for the consequences, because we consider these actions unconstitutional and alien to the fatherland's best interests.

4. To reaffirm the republican principles that have governed the party's actions since its foundation. At the same time, we confirm the party's commitment and decision to continue acting in accordance with the tenets of a true democratic system.

Issued in Panama City, Republic of Panama, today, 26 February 1988.

By the Republican Party's Political Committee

Architect Jose Bernardo Cardenas

Vice president in charge of the Presidency

PRD Leader Outlines Measures To Combat Crisis

PA032033 Panama City Domestic Service
in Spanish 1800 GMT 3 Mar 88

[Statements by Democratic Revolutionary Party, PRD, President Romulo Escobar Bethancourt; date and place not given; passages within quotation marks recorded]

[Text] [Escobar] "With regard to the first measure, in the area of tax collection, we have noted the need to create an oversight office in the Finance Ministry, an office attached to the Attorney General's Office, which would deal specifically with the problem of tax evasion, as a means of collecting the huge amount of taxes that are evaded through false tax declarations.

"In other social areas, we have proposed, for example, that a price ceiling be placed on articles of the so-called food basket, so the present circumstances do not lead to price-gouging with respect to these items.

"We have also noted the need for a realistic approach to the labor problem, the unemployment problem. We believe the state should have a more aggressive program in these areas. Unlike what some have suggested, we believe that to the extent that the state participates directly in the creation of jobs, it activates the economy and practically forces all the other economic sectors to carry out their activities more vigorously."

Asked whether the PRD had made any recommendations to President Manuel Solis Palma regarding the formation of a new cabinet, Escobar said:

[Escobar] "In a meeting with the president, we said that, like him, we felt the matter of the cabinet and all those issues should be dealt with in depth. We have always felt that the so-called issue of political sharing [espacio politico] is a mistaken concept. As it is presented, it would seem that goods are to be distributed to the various government parties. Now that we have as president a person of the caliber of Manuel Solis Palma, who is a great fighter and a man who is deeply aware of the national situation, who is a veteran of political and social battles, we believe the problem of political sharing, or the

cabinet reshuffling, etc., should be dealt with by examining the various sectors that make up the government, and, on that basis, examine the position of the parties that make up the UNADE [National Democratic Union] to determine their political direction, their ability to be successful in these areas, their effectiveness in the management of those areas, in order to proceed to appoint the people who will make up the cabinet and head the autonomous institutions. Many of these people could be the same ones who are already in those positions, but with a political guidance that—as the president aptly said—should be a policy directed basically toward the achievement of social justice for our people's benefit."

On reports in international news dispatches to the effect that the country is leaning to the left, the PRD president said:

[Escobar] "That is a smear campaign of propaganda disseminated by reactionary U.S. sectors. It is the same smear campaign that has been waged against Panama for some time, that has been waged against General Noriega, for example. Panama is the victim of a large amount of slander, diatribe, lies and misinformation on the international scale, all provoked by reactionary sectors of the United States, especially sectors in the U.S. State Department that are even acting behind the backs of their own government. This is being discovered over there now that the conspiracy has come to light.

"In these conditions, we can say that Panama's policy is nationalistic, and that we are supporting President Solis Palma in the policy that he outlined in his speech to the Assembly; that is, a policy that is nationalistic and independent, and that defends Panama's interests without leaning toward any position other than those positions that are beneficial to the Panamanian people."

Ministers Comment

PA032233 Panama City Domestic Service
in Spanish 1730 GMT 2 Mar 88

[Report by Jairo Posada on interview with Panamanian Comptroller General Francisco Rodriguez and Agriculture Minister Hirisnel Sucre, also in charge of the Commerce and Industries Ministry by unidentified reporters; place, date not given—passages within quotation marks recorded]

[Text] [Rodriguez] "We believe that as long as we have funds to face our needs, we shall face them. If they are not available, obviously we cannot do anything else. At this time there is no indication that they are not available.

[Reporter] "What chance is there for financing by another country?"

[Rodriguez] "Yes, contacts are being made. I understand some ministers, especially the planning minister [minister of planning and economic policy] and the National Bank manager are doing this.

[Reporter] "Any specific country?

[Rodriguez] "No, basically foreign bankers—Japanese and European.

[Reporter] "Have all loans to Panama been suspended?

[Rodriguez] "Right now we have not been receiving loans from international banks, especially those affiliated with the World Bank and the IMF."

He then explained the country's budget options:

[Rodriguez] "We have said it and will continue saying it: There are no other options. We have to reduce expenditures and increase income through taxes.

[Reporter] "Will personnel be laid-off?

[Rodriguez] "Basically we are trying to avoid this.

[Reporter] [Question indistinct]

[Rodriguez] "We shall also renegotiate a great part of the foreign debt."

Later, we interviewed Agriculture Minister Hirisnel Sucre, in charge of Commerce and Industries Ministry, and we asked him about how Panama was doing in finding other markets, and he explained:

[Sucre] "We had already been contacting new markets for some time. We had these threats and could not go on this way. Our economy cannot depend on a single purchaser. We have been making contacts, and there is great willingness by European countries to buy our products.

[Posada] "How are you going to handle two ministries at one time?

[Sucre] "As I have already said, this responsibility that has been entrusted to me by the minister in charge of the Presidency lasts until he appoints a minister of commerce and industries. This decision is up to him.

[Posada] "Will priority be given to those who have received promises in this country, like the peasants and workers?

[Sucre] "The way things are now in Panama, the last thing we should do is act with demagoguery. We have to take action to prove to the people that we are really willing to act in the majority's best interests, and if we have chosen this path, it is because we feel this is the correct one, and we are going to prove it to them. Agricultural policy decisions will keep in mind the interests of small and medium producers, and those who work the soil daily. Those great producing people will be taken very much into account."

Argentina

UK Minister: 'Fewer than 1,000' in Maneuvers
LD032119 London PRESS ASSOCIATION in English
2018 GMT 3 Mar 88

[Text] Armed Forces Minister of State Mr Ian Stewart disclosed today that fewer than 1,000 troops will be involved in this month's Falklands reinforcement manoeuvre, Exercise Fire Focus.

The Organisation of American States, covering most South American countries, has condemned the exercise, claiming it would involve 5,000 men and 35 fighter planes.

But Mr Stewart said in the Commons during a debate on the Royal Navy: "Fire Focus will involve the movement of no more than one battalion group and a small number of aircraft, with less than a thousand men in all."

Reaction to UK Maneuvers on Falkland Islands

Communique on Measures
PY032050 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 2016 GMT 3 Mar 88

[Text] Buenos Aires, 3 Mar (NA)—The following is the text of the communique released at 1630 by the Foreign Relations and Warship and Defense Ministries:

"The British Government has announced that it will conduct military exercises on the Malvinas Islands from 7-31 March 1988.

"That measure, in addition to violating the sovereign rights of the Argentine Republic over the islands, also contradicts UN and OAS resolutions and other statements made by the international community requesting that the two governments hold negotiations to definitely resolve in a peaceful manner the conflict over the islands.

"The actions announced by Great Britain contradict UN resolutions which declared the South Atlantic a zone of peace and cooperation, resolutions the British Government agreed to strictly respect when it voted in favor of them. That country also agreed to abstain from any action which could create or worsen the situation of tension or potential conflict in the region.

"The Argentine Government has repeatedly declared its willingness to resolve, in a peaceful and negotiated manner, its dispute with Great Britain. In spite of reaffirming that position once again, the Argentine Government has responsibilities emerging from the rights of the country and of its obligation to protect the life and goods of the people living on Argentine soil.

"For the aforementioned reasons, the following measures, which will be enforced as long as the British military maneuvers last, were adopted:

"I) Defensive alert and surveillance:

"The military exercises announced by the British Army which will be carried out in the South Atlantic will be maintained under close surveillance with the purpose of:

"1) Allowing the Argentine Republic and the international community in general to accurately remain informed about the maneuvers the United Kingdom plans to carry out in an area that has been declared a zone of peace and cooperation by the UN General Assembly.

"2) Contributing as much as possible, through the exercise of this preventive surveillance, in preventing risks of incidents which could be triggered by the maneuvers announced by the United Kingdom.

"3) In case of need, to execute the appropriate defense plans.

"II) Warning for navigation:

"Without detriment of the full enforcement of the agreements signed by Argentina and of international legal regulations, Argentina is informing ships from third countries of the aforementioned measures to prevent them from being involved in any incident. Ships from third countries may be halted, inspected, or arrested, according to each case, by Argentine sea authorities, in keeping with the appropriate regulations of international law."

No UN Meeting Decision
PY032148 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 2100 GMT 3 Mar 88

[Text] Buenos Aires, 3 Mar (NA)—A very reliable source today reported that after tomorrow's meeting between Foreign Minister Dante Caputo and UN Secretary General Javier Perez de Cuellar, the Argentine Government will decide whether or not to call for a UN Security Council meeting to discuss the imminent British military exercises in the Malvinas Islands.

The Foreign Ministry sources consulted by NOTICIAS ARGENTINAS said that "so far it has not been decided whether to call for a meeting of the UN Security Council. However, it has been decided that Caputo should return to Buenos Aires tomorrow to personally inform President Raul Alfonsin about the result of his consultations" in New York.

The Foreign Ministry spokesman thereby refuted press reports stating that the government had allegedly decided to call for the UN Security Council to propose a draft resolution requesting the suspension of the British military exercises.

The source explained that, among other alternatives, Argentina could request "an informative meeting of the UN Security Council to denounce the British attitude or to present a draft resolution. Such a procedure would not require "as much international consensus as would summoning the UN Security Council." [quotation marks as received]

Caputo arrived in New York today at noon. He arrived from Paris after having participated in a meeting with the Group of Eight in Hamburg. Caputo dedicated himself fully to holding consultations with the representatives of other governments.

Meanwhile, in this capital Susana Ruiz Cerruti, Argentine deputy foreign minister, summoned the representatives of the embassies of the USSR, Spain, and Italy, among other countries with interests in the zone.

At a break in the consultations, the deputy foreign minister delivered the text of the communique, issued along with the Defense Ministry, to the journalists accredited to the Foreign Ministry.

The source admitted that if Argentina eventually asks for a meeting of the Security Council "the meeting would only be held on Monday because today and tomorrow the Security Council will review the critical situation prevailing in South Africa," referring to a decision made by the government of the white minority to ban the political activities of 17 party and trade union organizations that are opposed to racism.

The council's agenda is decided by the Security Council president, a post that is now occupied by the Yugoslav representative, Dragoslav Pejic, the source explained.

Diplomatic circles believe there is "little prospect for the draft resolution to be introduced next Monday because the United Kingdom would veto it and it is expected that the United States would at least abstain as it recently did at the OAS."

The source also emphasized that in case a decision is made to call an informative meeting to present a broad report on the possible consequences of the UK maneuvers, a request will be made for this meeting to be public and not secret.

Jaunarena on 'Contingencies'

PY031555 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1432 GMT 3 Mar 88

[Text] Buenos Aires, 3 Mar (NA)—Defense Minister Horacio Jaunarena today said the government has worked out "answers for every possible contingency" in the South Atlantic caused by the British military maneuvers that start on 7 March in the Malvinas Islands. The minister refused to reveal the content of the answers, because they are state secrets.

The minister thus answered a question regarding possible Argentine military maneuvers in the country as a response to the British maneuvers on the Malvinas Islands.

Jaunarena denied being aware of a Justicialist Party request to send troops to the south of the country in response to the British position. Jaunarena added that together with Foreign Minister Dante Caputo he will attend Chamber of Deputies Defense and Foreign Relations Committee meetings to answer congressmen's questions on the issue.

Asked if the three branches of the Armed Forces are in a state of readiness, Jaunarena reiterated that "a series of contingencies has been planned for," but he refused to specify what they were.

In his opinion, however, the eventual mobilization of troops to the south of the country would not prejudice the Argentine initiative at the United Nations to condemn the British attitude, even though, he said, this answer "can only be supplied by the Foreign Ministry."

"The defense minister is engaged in the defense of Argentine interests," Jaunarena added.

Regarding the incident of a frustrated attack by several military officers on a downtown office, Jaunarena said that "we have to let justice act," and he added that "we will know more about the incident once the secrecy of the summary proceedings is lifted."

He added that he prefers "not to comment further so as not to interfere with the job of the courts."

Asked about the possibility of an Argentine admission of "the end of hostilities" in the South Atlantic war, Jaunarena refused to comment.

"Argentina maintains its position of claiming sovereignty over the Malvinas Islands and asks the United Kingdom to sit at the negotiating table. The British reluctance shows that their justification for occupying a territory that is ours lacks strength."

Jaunarena made these statements after presiding over the ceremony commemorating the 131st anniversary of the death of Admiral Guillermo Brown, held at the "Libertador" building, Navy headquarters.

No Troop Deployment Confirmed

PY032214 Buenos Aires TELAM in Spanish 2207 GMT
3 Mar 88

[Text] Buenos Aires, 3 Mar (TELAM) — Defense Minister Jose Horacio Jaunarena this afternoon said for the time being there will be no deployment of troops in view of the military maneuvers that the British will carry out on the Malvinas Islands as of 7 March.

In a statement he made this afternoon at Government House, where he held a meeting with President Raul Alfonsin, Jaunarena also said that the implementation of other plans will depend on the attitude adopted by the British.

Air Force Chief Comments

PY031237 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1158 GMT 3 Mar 88

[Text] Buenos Aires, 3 Mar (NA) —Air Force Chief Brigadier Ernesto Crespo has said the Air Force "is awaiting orders from the political authorities," alluding to the possibility of government orders regarding military maneuvers [words indistinct] in the area of the Malvinas Islands.

During his statement to a radio program, Crespo said the maneuvers "are not just restricted to the Malvinas Islands; what is more important is that they are an intervention in the whole area of the South Atlantic, because they create an air bridge between Ascension Island, the Malvinas Islands, and the Georgias, with the participation of some NATO elements."

"This event concerns the peace of the South Atlantic and therefore involves not only our country, but also other Latin American countries," Crespo added.

'Defensive Measure' Urged

PY021546 Buenos Aires TELAM in Spanish 1331 GMT
2 Mar 88

[Text] Mendoza, 2 Mar (TELAM)—Mendoza Province Governor Jose Bordon, in his capacity as secretary of international relations of the Justicialist Party, has suggested to the party council that it urgently define and consider a hypothetical conflict—one that would take place over a limited time—as a preventive defensive measure in the face of the British military maneuvers on the Malvinas Islands.

Talking over the phone, the governor also told [Buenos Aires Governor] Antonio Caffiero that the party council should consider calling for a UN Security Council meeting to demand the suspension of the maneuvers, and sending Latin American observers to confirm the suspension.

The governor pointed out that the British policy toward the issue has been very active since 1982 owing to the growing economic interests Great Britain has developed in the area (fishing) and the potential energy resources, and that Great Britain has developed an intense strategy in those areas. We must be aware, he concluded, of this active policy and of the new elements of the situation in the area.

Official: No Plans Discussed

PY031757 Buenos Aires Domestic Service in Spanish
1600 GMT 3 Mar 88

[Report by Silvina Martinez Porta from Government House]

[Excerpt] The national government has not contemplated the possibility of organizing preventive military preparations in face of the imminent British maneuvers in the Malvinas Islands zone. This was disclosed this morning by a government spokesman.

The spokesman was asked the government's opinion of the Justicialist Party document demanding the organization of such exercises. He only said the government authorities are not discussing this subject.

The source also said nothing can be disclosed yet about the possibility of Foreign Minister Dante Caputo demanding that the UN Security Council meet to repudiate the British attitude. In this regard the spokesman said Minister Caputo will hold talks with UN members to analyze steps that could be taken in view of the British announcement to carry out the "Fire Focus" operation in the South Atlantic.

This subject was also discussed this morning by the governor of Tierra del Fuego, Antarctic, and South Atlantic Islands, Helios Ezeverri. The governor asserted the population is quite calm, and there have been demonstrations that everyone supported.

UCR's Gass Dismisses Request

PY031152 Buenos Aires TELAM in Spanish 0143 GMT
3 Mar 88

[Text] Buenos Aires, 2 Mar (TELAM)—National UCR Senator Adolfo Gass believes that in asking the government to implement a military defensive plan to guarantee Argentina's territorial integrity in view of the announced British maneuvers in the Malvinas, Justicialism was prompted more by sentiment than reason.

The congressman said tonight that all of us who think reasonably know it is impossible to stage a military operation, since we do not have the might Great Britain has. This move would not be reasonable because we would be throwing overboard all efforts made at international organizations, which recognize Argentina's right over the islands.

As an Argentine, I would like to see a military defensive operation staged to protect the zone, but we must consider that the British reprisal might be quite strong. So the UCR, which is in government, has the responsibility of caring for the lives of all citizens, Gass added.

Senator Gass, who is chairman of the Senate Foreign Relations Committee, believes Argentina should continue struggling through international organizations,

seeking new horizons in a peaceful way, so the entire world will pronounce itself for the legitimacy of Argentina's rights over the Malvinas Islands.

Asked if he was in favor of requesting a meeting of the UN Security Council, the senator replied that surely we have to demand our rights before every organization, including the Security Council, although Great Britain has veto power there. We have to get the United States to pronounce itself in our favor.

Finally, Senator Gass reiterated that Justicialism made a proposal with its heart, its sentiments, not stopping to think rationally about the consequences of its request. He then recalled the Malvinas war of 1982 and its well-known tragic results.

Defensive Maneuvers Rejected

*PY031425 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1400 GMT 3 Mar 88*

[Excerpt] Buenos Aires, 3 Mar (NA)—Juan Carlos Pugliese, president of the Chamber of Deputies, has said he is against defensive maneuvers by the Argentine Armed Forces in the South Atlantic, adding that the solution to the problem of Malvinas Islands sovereignty is not helped by "mutual military challenges."

Asked about the possibility of an Argentine Government decision to carry out defensive maneuvers in response to the British military exercise in the Malvinas zone, Pugliese said the proper attitude should be "to apply pressure at all international forums and carry out a diplomatic offensive exposing the United Kingdom's aggressive attitude."

Concerning press reports that imply defensive maneuvers are a fact, Pugliese said: "I do not think that is true." He added: "I have only heard that a political party is requesting the maneuvers."

Pugliese added that "others are asking that we get ready for civil defense maneuvers, but I think our basic job here is to avoid mutual military challenges and apply pressure in all international forums."

Pugliese made this statements to journalists accredited to Government House after his routine Thursday meeting with President Raul Alfonsin.

'Annoyance' at U.S. Stance

*PY040241 Buenos Aires CLARIN in Spanish
3 Mar 88 p 20*

[Text] The U.S. abstention at the OAS in condemning the British military maneuvers on the Malvinas Islands has caused the Argentine Government "deep annoyance." This is why Foreign Minister Dante Caputo unexpectedly traveled to New York yesterday to request an urgent meeting of the UN Security Council.

Caputo traveled from Hamburg to New York after having held a long telephone conversation with President Raul Alfonsin during which they discussed the polemical U.S. proposal to appoint a UN commission to investigate the human rights situation in Cuba.

According to sources consulted by the DYN news agency, when Alfonsin expressed his "deep annoyance" at the U.S. abstention in the OAS, Caputo immediately said: "Our reaction should be similar to theirs."

During the telephone conversation, Alfonsin and Caputo agreed that the Argentine foreign minister would travel to New York to meet, for the second time this week, with UN Secretary General Javier Perez de Cuellar. During this meeting Caputo should discuss the need to summon an urgent meeting of the UN Security Council.

The U.S. abstention in the OAS only modified Caputo's travel itinerary. The Argentine Government will stand by its decision to support the U.S. proposal of appointing an investigative commission to Cuba in next week's Human Rights Commission meeting in Geneva.

General Punished for Not Observing Regulations

*PY032154 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1522 GMT 3 Mar 88*

[Text] Buenos Aires, 3 Mar (NA)—Brigadier General Heriberto Auel was sentenced to 10 days house arrest for not "observing regulations" in addressing Army Commander General Jose Dante Caridi.

According to Army sources the measure was taken last week by Caridi, who believed Auel should have sent him a note [words indistinct] an official letter to request and answer to a statement he had made.

Auel had requested Caridi "ratify or rectify" that he requested that Auel be placed on the list of unassigned officers because he lost confidence in Auel due to the fact that he remained in Catamarca during the January military uprising.

That was why Auel was passed on to reserve duty and replaced as operations commander of the joint staff.

125 January Rebellion Officers Under Arrest

*PY031052 Buenos Aires TELAM in Spanish 1624 GMT
2 Mar 88*

[Text] Buenos Aires, 2 Mar (TELAM)—The Army General Staff today reported that the military court has ordered the preventive arrest of 125 Army officers in view of their participation in the rebellion last January of the 4th Infantry Regiment based in Monte Caseros.

The communique, which was released at 1200 at the Libertador Building, states:

Following orders of the military courts regarding the trial of officers who participated in last January's rebellion, those under strict preventive arrest are: 13 chief [jefes] officers, 46 officers, and 5 noncommissioned officers. Those under limited preventive arrest are: 1 chief officer, 50 officers, and 10 noncommissioned officers.

Robberies Intended To Finance 'Clandestine Army'
PY022250 Buenos Aires Domestic Service in Spanish
1600 GMT 2 Mar 88

[Text] It was reported that some of the officers involved in the robbery of the store on Tucuman Street in this capital have participated in six other robberies in the past.

According to reliable sources, the military officers, all of whom belong to the Army intelligence service, intended to steal approximately \$100,000 to finance the operations of a so-called Clandestine Army.

Judge Roberto Hornos believes that on 25 February these officers intended to steal money from a company that sells security and alarm systems. This is a new interpretation in the investigations to solve this complex case.

This new aspect has prompted Judge Hornos to change the name of the case file. The judge also revealed that there was no money inside the case one of the officers was carrying.

Although this is a robbery case, Judge Hornos thinks it could be tried in federal court because it involved military officers on active duty.

This possibility has been reinforced by the fact that the National Prosecutor's Office has appointed Juan Carlos Lopez as ad hoc prosecutor in the case. This demonstrates the government's special interest in solving this case. According to one investigator, this case is merely the tip of the iceberg.

Reliable sources revealed that all those involved in the attempted robbery of the (Comsist) company belong to Intelligence Unit No 601. Major Varela teaches an intelligence course at the War College, while the civilian named Rojas holds an important post at the Army Staff computer center. Captain Gallo, who was questioned by Judge Hornos, allegedly admitted that he participated in the robbery while he was on duty and that he was complying with an order he received.

Finally, the Air Force sent a message last night to all its units describing as inaccurate and malicious the report stating that the documents found in the officer's case contained documents incriminating a high-ranking Air Force officer.

'Powerful' Bomb Explodes in Buenos Aires
PY021458 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1124 GMT 2 Mar 88

[Excerpt] Buenos Aires, 2 Mar (NA)—A powerful bomb went off early today at the entrance to a downtown building in which priests of the Catholic organization "Opus Dei" live, knocking off a massive 4-meter-high wooden door and causing other serious damage, but no casualties.

Leaflets of a so-called "OAS M.R.P. por la Liberacion Nacional" [no expansion of initials given] were found in the area. This name is similar to the one used by the French military who in the 1960's carried out underground activities against former President Charles de Gaulle's decision to grant independence to Algeria.

In the upper left corner the leaflets have a picture of San Martin, and there is a condor at the bottom of the page. The leaflets say nothing about the attack.

The bomb, which had a delay mechanism, went off at 0145 at the entrance of the old but elegant four-story building, throwing one of the two big wooden double doors into the middle of the street.

The blast broke some glass inside the building, destroyed a large shop window of the neighboring "Aurora Grundig" company, and caused alarm in the neighborhood. [passage omitted]

Briefs

New Energy Secretary

President Raul Alfonsin today appointed Engineer Roberto Echarte, president of the Yacyreta hydroelectric complex, as the new energy secretary. This appointment has been confirmed by the public works and services minister. Alfonsin nonetheless has also confirmed through Decree No 924 that outgoing Energy Secretary Jorge Lapena will remain a government adviser with the rank of state secretary. [Summary] *[Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 3 Mar 88 PY]*

Bolivia

COB Leader Says Stoppage Observed 'Completely'
PY031510 La Paz La Red Panamericana in Spanish
1130 GMT 3 Mar 88

[Text] According to COB leader Simon Reyes, the stoppage organized by this organization has fulfilled its purpose of protesting.

Reyes said a nationwide evaluation of the measure adopted by the workers, contrary to what the government has stated, reveals that the productive sectors halted their activities completely.

Bedregal on Argentine Debt Negotiations
PY031528 La Paz La Red Panamericana in Spanish
1130 GMT 3 Mar 88

[Text] Foreign Minister Guillermo Bedregal stated that Argentina must settle its overdue debt with Bolivia in order to obtain its bridge loan. He also said the two countries intend to carry out joint efforts to resolve their respective economic problems.

Bedregal went on to say that the Argentine economic minister is currently in Washington for this purpose, and that the Bolivian planning minister will go there next week.

Here is Minister Bedregal's statement:

[Begin Bedregal recording] What we really seek is to carry out joint negotiations so a portion of the bridge loan will be used directly to cover the Argentine debt with Bolivia. This is what is being negotiated, and the Argentine economy minister fully agrees with this. I think the Bolivian economy minister will travel to Washington next week to see what internal mechanism will be implemented to resolve this delicate problem. [end recording]

Brazil

Sarney Postpones Public Wage Freeze Decision
PY031943 Rio de Janeiro O GLOBO in Portuguese
2 Mar 88 p 8

[Text] Brasilia—President Jose Sarney told the finance and planning ministers and the Civilian Cabinet and SNI chiefs that he alone will not decide whether or not to sign the decree-law to freeze the wages of public servants. Sarney has backed down because the proposal was criticized by the Administration and Labor Ministries and, most of all, by the military ministers. This reaction was not only verbal. Lieutenant Brigadier Paulo Roberto Camarinha, Armed Forces chief of staff, for example, decided to ignore the meeting called by the CDE [Economic Development Council] to discuss the measure and sent to the "Official Gazette" an order authorizing the payment of a 16.19-percent URP [Price Reference Unit] to the military for the month of March.

The URP was automatically granted and there was no reason to discontinue the system. The ministers merely exchanged some ideas, and if something was decided I was not told about it, Camarinha explained.

SNI Chief Ivan de Souza Mendez, who was asked to resolve the crisis, described the attitude of Camarinha (the military's official negotiator in salary issues) as "mere disobedience."

The four ministers who attended the meeting with Sarney, especially those dealing with the economic sector, were very discouraged with the postponement of the decision. Labor Minister Almir Pazzianotto opposed the

decree because he thinks it is so inflexible that it will eliminate any possibility of salary negotiations. Pazzianotto told his advisers that he will probably tender his resignation.

The public sector wage freeze came under fire at a meeting held at the Planning Ministry on 29 February, when Camarinha said the decree would be badly received by the military. Administration Minister Aluizio Alves also disagreed with the measure because it would affect the recently-approved job classification plan. Pazzianotto expressed his complaints moderately, but yesterday alerted Sarney by telephone that the decree could cause many strikes in the public sector.

Sarney endorsed the measures as long as they also were applied to the legislative and judicial branches. President Sarney summoned the military ministers to inform them about his decision. He managed to get in touch with only one of them. Towards the end of the day, Finance Minister Mailson da Nobrega was calm because he believed he had done his duty, irrespective of what the CDE does today.

Sarney, Alfonsin To Inaugurate Nuclear Plant
PY040030 Rio de Janeiro O GLOBO in Portuguese
2 Mar 88 p 8

[Text] Brazilian President Jose Sarney and Argentine President Raul Alfonsin in late March or early April will inaugurate the first stage of the Aramar nuclear demonstration plant in Ipero, a district in the interior of Sao Paulo State. This will be the first time that a parallel nuclear program plant has been introduced publicly. In late 1987 Brazilian technicians managed to enrich uranium using the ultracentrifuge process.

This information was confirmed yesterday by Rex Nazareth, the chairman of the National Commission for Nuclear Energy (CNEN), at the end of the 2d day of meetings between Brazilian and Argentine scientists to assess the Brazilian-Argentine Nuclear Cooperation Agreement. According to CNEN sources, the Aramar plant will initially produce radio isotopes for medical use in the management of diseases such as cancer. Meanwhile, the main goal will be to give continuity to the uranium enrichment process in order to further purify the element from its current level of 8 percent to nearly 20 percent.

During the interview, Rex Nazareth and CNEA President Ema Perez Ferreyra revealed that they are being pressured by the London Club—which includes the most developed countries in the nuclear energy field—to have Brazil and Argentina join the club.

Nazareth said: "The London Club is just an oligopoly formed by countries that master the nuclear energy cycle and take advantage of this fact, subduing other nations. Joining the club would mean approving their rules and restricting our freedom of action, which we will never accept."

Ema Perez Ferreyra, who has been the CNEA president for 1 year, said the persistence of the London Club has been the only difficulty the two countries have had since the nuclear cooperation agreement was signed in 1985. The evaluation meeting held during the last 2 days is the sixth such meeting since the agreement was signed. Among other things, the agreement has already involved trade operations totaling about \$10 million (about 1 million cruzados).

Paraguay

U.S. Envoy's Abilities as 'Comedian' Praised
PY031636 Asuncion Domestic Service in Spanish
2330 GMT 2 Mar 88

[Voz del Coloradismo commentary]

[Text] The thoughtlessness and contradictions of Mr Clyde Taylor could provide a yardstick as to why Latin American issues are sometimes treated with so much superficiality and so little formality in U.S. Government circles. Furthermore, we know very well these issues are dealt with on the basis of whimsical and tendentious information, mostly transmitted verbally by obscure characters who are interested in destabilizing democratic, anticommunist governments in our hemisphere.

As for the ambassador to whom we allude, it should be pointed out that he has very scant knowledge and experience of our real situation and its many implications. Thus it becomes difficult to believe—but it must be believed—that a great country that is considered a model of organization should give credibility to perceptions by an inexperienced representative who is playing at diplomacy in our midst, and who, in such a role, voices opinions about our country only to retract himself tomorrow, resorting to defending himself with the argument that he did not mean to say this, but rather something else. But the truth is that he said what he did.

What he said at a recent conference with international news agency correspondents is not exactly what he said a few days before in a speech he made at a local ceremony. In that speech he recognized and praised the achievements that have been accomplished in our country. To express oneself in such a confusing and misleading manner cannot be permitted of a diplomat from such an important country so dear to our hearts as the United States of America. It is all so silly, as though they were lines delivered by a comedian, as the lines delivered by the famous Mexican comedian Cantinflas. These lines cannot be accepted from someone vested with such high diplomatic authority as a representative of one of the major powers of the Western world. Unfortunately, as an imitator of Cantinflas, Mr Taylor comes out as the worst ambassador who has been accredited to our country. However, we could not say the same regarding his ability as a comedian. This role he plays to the hilt, staging comedies worthy of the most talented humor writers, as could be appreciated in one of his recent presentations.

There, after saying Paraguayan-U.S. relations were critical in some aspects, in the face of the indignation of public opinion he proceeded rapidly to point out that he did not mean to say what he said, but something else. He thus exposed to ridicule not only himself but his country.

The truth is that he said what he did. And he said it in the presence of international news agency correspondents who were called in to watch his laughable comedy. Thus, what he said—although he said later that he did not—was flashed to the world in press dispatches. And at this time, as always happens, the image of Paraguay has once again been distorted. This is the perverse task being performed by a Cantinflas-like ambassador like Mr Taylor.

But for the honest public opinion in our country and abroad, this performance is unforgivable diplomatic irresponsibility that can only be blamed on a lack of maturity and experience. The fact that the U.S. Embassy files have been opened to some well-known writers who are pseudo-historians on the payroll of the anti-Paraguayan propaganda being orchestrated from abroad by communism can be considered equally irresponsible. These pseudo-historians are thus committed to reproducing in books and pamphlets alleged documents on the political history of our country being kept in those files.

What we are saying today very likely will be published 25 years hence. It does not matter. This is our opinion today, and it will be our opinion 25 years hence. The documents of doubtful origin are after all no documents, because most of them are either gross forgeries or the product of cheap and absurd gossipmongering by strange characters who were interested, as other such characters are now, in distorting the good image of our situation. This is how—in this sinister, deceitful, and irresponsible way—documents that put our country in internationally compromising positions are accumulated in the U.S. State Department.

Papers that appear as documents 20 years later at the disposal of those paid writers come from an embassy such as that of the United States, which ought to have been more careful in selecting information on our country. Those papers should bear the signature and seal of the original sources to make them reliable. Mere newspaper clippings or gossip swapped between drinks in social receptions cannot be passed as documents.

As for Mr Taylor, who is now the only person responsible for such clumsiness, which is more damaging to his government than to our's, it would be better for him to define his position: Either he can assume the role of a worthy ambassador of a worthy country of which Paraguay has always been and will continue to be a friend, thus gaining the confidence and sympathy of the Paraguayan people, or, simply, he can continue as he has been doing. He can then continue to be a picturesque and

unscrupulous character to the detriment of the seriousness and good name of the great nation he represents, a nation that, we repeat, is so dear to our hearts as the United States of America.

Uruguay

Economy, Finance Minister on Debt Payments
PY031454 Montevideo El Espectador Network
in Spanish 0930 GMT 3 Mar 88

[Text] This year Uruguay will pay \$300 million in interest on its foreign debt. This was disclosed by Economy and Finance Minister Ricardo Zerbino at the Carrasco airport before leaving on a 48-hour visit to New York accompanied by Central Bank President Ricardo Pascale.

Zerbino said that although the foreign debt interest amounts to \$300 million, Uruguay will only pay \$295 million, and that the difference will be covered by interest earned on the country's foreign reserves.

Zerbino said the debt will continue to grow because the country will require new loans in the future to continue developing.

The minister added that the important thing is to not allow the debt to grow more than international inflation. In response to a question from *El Espectador* regarding the increase of the foreign debt in the future, Zerbino said:

[Begin recording] [Zerbino] I am sorry, but absolute figures will mean nothing to you. The important point is the rate at which the debt grows in relation to the country's situation. In other words, the important point is the impact the debt has on the country's normal development by investing what is necessary for its growth without sacrificing reasonable consumption levels and the growth and improvement of the standard of living.

[Reporter] Why do you say that absolute figures will mean nothing?

[Zerbino] Because, for a start, the dollar is a currency subject to devaluations, and, as you are well aware, during the past 2 years the dollar was devalued by more than 30 percent in relation to the strong European currencies. Therefore, to not increase a debt in dollars is the same as saying this debt is becoming smaller.

The important thing is to not allow the debt to grow faster than the international inflation rate or the dollar devaluation rate, and that it grows slower than the GDP growth rate. Therefore, the answer to your question is that the debt will continue to grow because the country needs loans to finance new hydroelectric dams and a new thermo-electric plant—which was a subject of discussion during these past few days—to generate electricity. The country needs to invest in highways that will reach the rice-producing area and in rural electrification projects that benefit milk-producing areas. And for all this the country needs to continue contracting debts with the international credit banks, that is, the World Bank and the IDB. It needs to do so because it is advisable for the country, because it is to its advantage.

[Reporter] Can you give us some figures?

[Zerbino] The figures will depend on the projects that have to be carried out, those that are currently being reviewed and will be approved. But, I repeat, they will always entail figures that the country can handle, that is, figures that will not allow the debt to grow above the GDP or the devaluation rate of the currency in which they are contracted.

[Reporter] Mr Minister, how much is Uruguay going to pay in 1988 on its foreign debt?

[Zerbino] I do not have my account book with me, but I will give you an approximate figure. This year our country will pay the net amount of approximately \$295 million, but the country keeps reserves in the Central Bank. Although the total payments on foreign debt interest amount to more than \$300 million, we have reserves that earn interest, and therefore the figure that will be reflected in our balance of payments is approximately \$295 million. [end recording]